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**HURRICANE ANDREW—VA HOUSING AND  
HOMELESSNESS, HOMESTEAD, FLORIDA**

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Hurricane Andrew--VA Housing Honele...

**FIELD HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
HOUSING AND MEMORIAL AFFAIRS  
OF THE  
COMMITTEE ON VETERANS' AFFAIRS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED THIRD CONGRESS  
FIRST SESSION

MARCH 12, 1993

Printed for the use of the Committee on Veterans' Affairs

**Serial No. 103-4**



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# HURRICANE ANDREW—VA HOUSING AND HOMELESSNESS, HOMESTEAD, FLORIDA

FRIDAY, MARCH 12, 1993

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON HOUSING AND MEMORIAL AFFAIRS,  
COMMITTEE ON VETERANS AFFAIRS,  
*Homestead, FL.*

The subcommittee met, pursuant to notice, at 9 o'clock a.m., in Homestead, FL, Hon. George E. Sangmeister, (chairman) presiding.  
Present: Representatives Sangmeister, Bishop, Brown, Diaz-Balart.

## OPENING STATEMENT OF CHAIRMAN SANGMEISTER

Mr. SANGMEISTER. The subcommittee will be in order, the hour of 9 o'clock having arrived. I welcome all of you here this morning. I am pleased to join my Vice Chairman, Representative Sanford Bishop of Georgia, and several of my Florida Colleagues, Representatives Corrine Brown, and Lincoln Diaz-Balart, as well as the citizens of Homestead, to focus on the Department of Veterans Affairs' ability to respond to the effect of Hurricane Andrew on veterans' programs. Specific emphasis will be on homelessness and the housing program, as they fall within the subcommittee's jurisdiction.

The hearing provides an important forum for the subcommittee to obtain information and insights on the VA's reaction to the disaster. As the Administration prepares to release its budget for fiscal year 1994, and concerns continue over reducing the Federal budget, the subcommittee must look at the programs over which it has jurisdiction with thoughtful innovation.

I want to challenge all of the witnesses today to give me suggestions and recommendations for improving the programs while conforming with budgetary constraints. The after-effects of natural disasters like Hurricane Andrew are devastating and far-reaching. Individuals living in South Florida, from Collier, Dade, and Monroe Counties, no matter their personal level of economic well-being, whether employed or unemployed, healthy or infirmed, are witnessing the physical destruction of their own existence, property and belongings, and the accompanying emotional trauma of displacement from their homes.

These new homeless, as a result of Hurricane Andrew, must now face the same issues long attributed to the traditional homeless, providing housing, income, health care and other basic necessities for themselves and their families. Today's homeless population is



diverse, and includes families with or without children, as well as traditional and single parent families, newly-unemployed, the working poor, and those suffering from chronic mental illness or substance abuse.

In the disaster designated counties of Collier, Dade and Monroe, VA indicated loan and property activity in more than 38,000 cases, including 404 acquired properties. While VA identified more than 128 habitable and available acquired properties for use by the Federal Emergency Management Agency, known as FEMA, for use as emergency housing, FEMA released all the VA-owned properties, and advised that the private rental market had met the needs for temporary housing.

These and other properties were subsequently offered to veterans' service organizations and the American Red Cross to use as temporary housing for veterans whose homes were damaged or destroyed by Hurricane Andrew. The Disabled American Veterans entered into several 6-month lease agreements with the VA to house homeless veterans who requested assistance. The subcommittee applauds the DAV and other veterans' service organizations for their untiring work to help these fellow veterans.

Now is the time for the VA to step forward and lead by example. The subcommittee will continue to explore new ways to improve and develop new VA housing and homeless programs.

[The prepared statement of Chairman Sangmeister appears on p. 57.]

Mr. SANGMEISTER. Now, before I call up the first panel of witnesses, I would like to recognize the subcommittee's Vice Chairman, Representative Sanford Bishop from Georgia, for any comments that he would like to have. Mr. Bishop.

Mr. BISHOP. Thank you very much, Mr. Chairman. It is indeed a pleasure for me to be here to really, first-hand, get to hear from veterans' groups and the people of this community regarding the devastation and the impact that the terrible storm had on your people in your area, particularly as it affects veterans, and as it affects the homeless.

We would be very interested to hear your very candid comments. As the Chairman indicated, we are very much concerned about how we, as members of the Veterans' Committee, and as members of the Congress, can assist you in trying to get your affairs back to normal. I know it is a really traumatic experience that you have been going through for some time now, but we want to do what we can, from our end, to try to help put things back together to the extent that we can. So, we are open and we are listening. I certainly, on behalf of the people of the State of Georgia, your neighbor, empathize with you, and we want to do everything that we can as good neighbors to assist you in getting back and getting on with business.

Thank you, Mr. Chairman.

Mr. SANGMEISTER. We also have with us one of Florida's own, Representative Corrine Brown from the Third District, who is also a member of the Housing and Memorial Affairs Subcommittee. I recognize her.

Ms. BROWN. First of all, I want to publicly thank the Chairman for coming to Florida, my state, to hold this hearing to focus on the



devastation that the hurricane has caused the veterans in the State of Florida. Also, I want to thank the people who are in this room that have assisted the veterans. I am really here to just listen and learn—I think Mr. Ralph Hall is here, and other representatives from veterans' groups, and different organizations—to figure out what we can do in Congress to assist you.

Thank you for being here today.

Mr. SANGMEISTER. We are also pleased to have another Florida member with us, Representative Lincoln Diaz-Balart from the 21st District.

**STATEMENT OF HON. LINCOLN DIAZ-BALART, A  
REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA**

Mr. DIAZ-BALART. Thank you, Mr. Chairman. On behalf of the people of South Florida, I would like to welcome you and the subcommittee here to South Florida, and specifically to Homestead.

As Congresswoman Brown has stated, it is commendable, Mr. Chairman, that you have chosen this community that is in the midst of a serious reconstruction effort, to hold hearings on the plight and the needs of housing, with regard to the veterans of our country. As you know, Mr. Chairman, and members of the subcommittee, roughly one-third of the adult homeless in our country are veterans of the armed forces.

It is estimated that between 150,000 and 250,000 armed forces veterans are homeless in the United States on any given night. On any given night in this community, I was informed very recently, there are approximately 1,000 homeless veterans in Dade County. These are estimates from before Andrew.

As you have seen, Mr. Chairman, and members of the subcommittee, even though much reconstruction has gone on already in the 6 months since Andrew, much remains to be done. So, it is of particular interest, and a motive of gratitude for the people of this community that you, Mr. Chairman, and the subcommittee are here to listen to the needs of this community. We thank you for it.

I, unfortunately, am not able to remain with you today because of prior commitments, but I wanted to come, not only to express the gratitude of the people of South Florida, for the subcommittee's presence here, and interest in the needs of this community, but also to state that I will quite carefully review the record of the hearing this morning because of the importance of the witnesses and of the issues that will be dealt with.

So, Mr. Chairman, thank you for the opportunity to address you this morning. Once again, thank you for your interest and thank you for being here in Homestead.

Mr. SANGMEISTER. Well, thank you. We recognize the constraints on every Member of Congress. Lincoln, we appreciate your coming over here and giving your remarks. We will have a record for you I am sure before the day is through here.

Mr. DIAZ-BALART. Thank you.

Mr. SANGMEISTER. We are in the district of Congresswoman Meek, who was unable to be here today. One of her staff is here. Guy Forchion, is that the way that is pronounced?

Mr. FORCHION. Forchion.

Mr. SANGMEISTER. Forchion. Okay. Someone from Senator Graham's office just came up and introduced herself. I am sorry, I did not catch the name again.

Ms. ROTH. Ellen Roth.

Mr. SANGMEISTER. Ellen. Good to have you both here. Although Congressman Deutsch is not here, there is someone from his office, and it is——

Ms. SIEGEL. Perle Siegel.

Mr. SANGMEISTER. Perle. Okay. Thanks to all the staff for coming.

Ms. MUSGROVE. My name is Debbie Musgrove, I am from Congresswoman Ileana Ros-Lehtinen's District, which is about a half a mile that way, and a half a mile that way, and about a mile that way.

Mr. SANGMEISTER. We appreciate you being here as well. We have four panels from which we will hear testimony. Most of you have submitted written testimony which, without objection, will be made a part of this record. We are here to hear you, not to cut you off, by any means; but because of the number of witnesses that we have, we would hope that you could try to keep your oral testimony somewhere around 5 minutes. We are not going to be rapping the gavel on you exactly at that time; but, if you could keep it within that scenario, we would appreciate it.

Please speak into the microphones so that the court reporter will be able to get everything down, and get the kind of record that we want.

We are going to start with the first panel. I would call, at this time, Mr. Carlos Rainwater, who is the Director of the St. Petersburg VA Regional Office; Mr. Thomas Doherty, who is the Director of the Miami VA Medical Center, and Mr. Earl Peck, United States Air Force (Retired), who is the Executive Director of the Florida State Department of Veterans Affairs.

Gentlemen, please take your place. My thanks to all of you for coming. Obviously everyone, not just members of Congress, have a busy schedule, and we appreciate your taking time to be here. Written testimony will be made a part of the record. We are ready to proceed and we will start with Director Rainwater.

**STATEMENTS OF CARLOS L. RAINWATER, DIRECTOR, ST. PETERSBURG REGIONAL OFFICE, DEPARTMENT OF VETERANS AFFAIRS; THOMAS C. DOHERTY, DIRECTOR, MIAMI VA MEDICAL CENTER; MAJ. GEN. EARL G. PECK, U.S. AIR FORCE (RETIRED), FLORIDA STATE DEPARTMENT OF VETERANS AFFAIRS**

**STATEMENT OF CARLOS L. RAINWATER**

Mr. RAINWATER. Thank you, Mr. Chairman. We appreciate you visiting our state following Hurricane Andrew. As we all know, Hurricane Andrew was disaster of catastrophic proportions. We are now in the long-term recovery effort.

Mr. SANGMEISTER. Please speak right into the microphone and start again from the beginning. It is much better with the microphone on, Carlos.

Mr. RAINWATER. Thanks.

Our immediate response, from the VA regional office, since we are charged with the responsibility of delivering the veterans' benefits to our state, was to dispatch a cadre of 14 veterans' benefits counselors here to South Dade County. Those 14 individuals remained here for 6 weeks, following the devastation of the hurricane, living under some fairly primitive conditions. We rented six motor homes, since there was no infrastructure in South Dade County. They sort of camped out for those 6 weeks.

We were ably supported by our friends from the veterans' organizations here in the State of Florida. The Florida Department of Veterans Affairs, Disabled American Veterans, Veterans of Foreign Wars, the AMVETS, the Military Order of the Purple Heart, all had a role in supporting us. As a matter of fact, the Veterans of Foreign Wars allowed us to set up our campground on their property here a couple of blocks from where we sit today.

Our benefits counselors undertook, first of all, being sure that veterans who are in receipt of monetary benefits here in South Dade County, received their checks on time, because the immediate crying need was for cash resources for veterans who were depending on VA payments. First of all, they did not have addresses, and second of all, there was no postal facility. So, our first task was to be sure that all of the vets received their benefits checks.

We took some rather innovative kinds of activities during that period, establishing computer linkages with our Philadelphia Insurance Center, to obtain cash from insurance loans, and to cash in VA policies to help veterans meet their immediate need for cash. The most important thing we did was to make sure that veterans received their benefits payments and were able to keep their medical appointments with the Miami VA Medical Center, and medical facilities here in South Florida.

Following that, we went into a mode of dealing in the VA Housing Program here in South Dade County. For the veterans who had GI guaranteed loans here in South Dade, we immediately undertook to counsel them along the path of obtaining forbearances from their mortgage holders, because of the disaster, they needed to preserve their equity in their homes, by being sure that they kept title to those homes and not go into foreclosure.

Many veterans came to us needing certificates of eligibility to rebuild their homes under the GI program. VA owned about 200 houses in the area, most of which received heavy damage, and about 20 of them were totally destroyed. We had to deal, in very significant way, with that issue.

The other issue we had to do was to bring appraisers into South Dade County to reappraise and re-inspect properties that were pending loan closing under the GI program. That is, before we could allow the veteran and the lender to consummate their deal of the GI-guaranteed loan, we had to make sure that the property was still standing and still safe, sound and secure, and in a salable condition.

All of these lead up to my main point. It was an extremely labor-intensive operation for us. We committed 14 of our veterans' benefits counselors for 6 weeks. We committed five of our staff appraisers from our Home Loan Department in St. Petersburg. We are thankful that our sister stations, particularly in the Southern Area



of the Veterans' Benefits Administration, sent staffing to back us up in the St. Petersburg Regional Office to free up our people to come here to South Dade.

We renewed our efforts of working with the various homeless coalitions here in South Dade County, because obviously a disaster of this magnitude exacerbated the already serious homeless problem here in South Dade among the veterans' population.

We continue to work closely with the various homeless relief agencies here in South Dade to continue our efforts to help relieve the homeless issue here in this part of the world.

Basically we made over 3,500 personal contacts here with veterans in South Dade County following the devastation of Hurricane Andrew. We did it with a dedicated staff of VA employees from the St. Petersburg Office, backed up by VA employees from our sister offices, and with the strong support of our friends in the veterans organizations here in South Dade County, and all over the State of Florida.

We entered into an agreement with our friends in the Disabled American Veterans to provide VA-owned housing to disabled veterans here in South Dade whose homes had been destroyed. You will hear more about this in later testimony from another panel.

So, with that, I will conclude my remarks, and I am open for questions. I will attempt to respond.

[The prepared statement of Mr. Rainwater appears on p. 59.]

Mr. SANGMEISTER. Okay. I might say to members of the staff, from the Congressional office and the Senator's office, if there is any question that comes to mind which you would like asked, please put it in writing and submit it to me.

I will proceed to Mr. Doherty.

#### STATEMENT OF THOMAS C. DOHERTY

Mr. DOHERTY. Good morning, Mr. Sangmeister, and committee. I am delighted to be here and be given this opportunity to make a brief statement about the Miami VA Medical Center.

The Miami VA Medical Center is one of the largest in the VA system. Our veteran population that we take care of covers the nine southern counties of Florida, and includes approximately 550,000 veterans. We have, on an average, approximately 450,000 outpatient visits per year. This includes visits to our three satellite outpatient clinics; one at Key West; one at Oakland Park; and one at Riviera Beach. We also have three outreach centers.

Before the storm, we engaged in a practice of emergency preparedness that we have been doing for many many many years. We worked feverishly during and after the storm to prepare the hospital for the worst. We brought in as much water as we could, rations and other essentials. Before the storm we had approximately 800 patients in the hospital. We were able to discharge about 100 of those patients to their homes, where we felt they would be safe.

Mr. SANGMEISTER. How much effective notice did you have that the storm was coming?

Mr. DOHERTY. Pardon?

Mr. SANGMEISTER. How much effective notice, in advance then, did you have before the storm hit?

Mr. DOHERTY. We were in constant touch with Dr. Sheets, Director of the Hurricane Center. We knew about a week before the storm hit that it was heading our way. About 3 days prior to the hit, we felt that it was coming directly at us. We made preparations to discharge those veterans who resided in areas that we felt were relatively safe. This still left us with about 700 patients in the hospital. As I say, we did a tremendous amount of work around the clock. Doctors, other professionals, and our rank and file worked side by side. Rank position and titles were left at home.

When the storm hit, we had a tremendous amount of damage. The roof was literally blown off. We lost a lot of windows. We lost all our utilities including water and power, and we had to perform emergency operating procedures with flashlights. The hospital had a lot of flood damage inside. The floors, of course, became very slippery because we lost air conditioning. It was a very very difficult period for all of the employees, particularly our veterans. However, we did, I think, a Yeoman job of reassuring our veterans that their care and safety was paramount to everything else.

We weathered out the storm, and then, of course, came the aftermath. Our Washington and regional office quickly responded by sending us three mobile health units, which are fully equipped. We dispatched those out to the South Florida area where we assisted veterans, retirees, and civilians, anyone that needed medical assistance and help. The staff of the mobile units did really a tremendous job. The staff worked night and day, staying with their vehicles, to provide help and care for the veterans and others in South Florida.

It took about 3 weeks before we finally began to see the light of day and get back to normal. After the power was restored to the hospital, we utilized water from a nearby canal to get our toilets working, and get our air conditioning back on. There was a lot of ingenuity, a lot of creativeness on the part of our employees that was absolutely amazing. Our employees did a super job. We also had excellent support from our VA hospitals around the country, including our VARO in St. Petersburg, our veterans' organizations and others.

The storm was devastating. Of the 2,600 employees that we have in the hospital, approximately 500 either had their homes completely or partially destroyed. Many of our employees are still in the throes of getting back to a degree of normalcy. Many of them have relocated. Some are still rebuilding. It was very very traumatic for many.

The Homestead Air Force Base was completely destroyed. We had to pick up the slack, and take care of many of the retirees, which we were very very happy to do. We took care of over a thousand retirees from homestead, and provided them with the necessary medical care and treatment. If it is the Administration's decision that Homestead will not be rebuilt, then we are going to propose to our Central Office that a satellite outpatient clinic be established at the base so that we can take care of not only retirees, but veterans residing in this area. It's a long haul from Homestead to the medical center. We are hoping that our proposal will receive favorable consideration.

I believe this was one of the worst disasters to hit the eastern United States, I think the VA quickly rose to the occasion and did an outstanding job of providing care and treatment for our veterans, our retirees, and of many many civilians. We are very pleased and very happy that we were able to respond in a crisis of this magnitude. Our hospital is still in a state of being repaired, if you will. We have cranes and construction crews all over the place. We are well on the road to full recovery.

Thank you very much.

[The prepared statement of Mr. Doherty appears on p. 64.]

Mr. SANGMEISTER. Okay. Thank you.

General Peck.

#### STATEMENT OF MAJ. GEN. EARL G. PECK

General PECK. Good morning, Mr. Chairman, and members of the subcommittee. I thank you first for the opportunity to be here this morning. I have submitted extensive written testimony. I will not bore you by trying to repeat that here this morning. With your indulgence, I would like to make a few extemporaneous points.

First of all, I would like to commend the U.S. Department of Veterans Affairs for their quick and efficient response in the aftermath of Hurricane Andrew. Tom Doherty, with the help of a lot of volunteers, got the hospital running smoothly again in very short order, and barely skipped a beat.

Carlos Rainwater continued benefits administration virtually unbroken, and had people down here assuring that benefits flowed continuously, and treated home loan problems with compassion. I am proud of the fact that we were able to assist them in those endeavors.

However, Mr. Chairman, the crisis in Florida did not begin with Hurricane Andrew. Florida has, in absolute numbers, the fastest growing veteran population in the United States—not California, not Arizona, not Texas, but Florida. It also has, of popular states, the most frequently and severely disabled veteran population. It has the oldest median age veteran population. All of these factors would suggest higher levels of VA services in Florida, rather than lesser levels of VA services.

The fact is, however, that in health care, for example, we enjoy less discretionary health care than is true elsewhere in the nation for veterans. In benefits administration, Carlos Rainwater has fewer full-time equivalent employees per case than is true in any other regional office in the United States. This carries into the Home Loan Guaranty Program.

In 1983, there were 155 VA Loan Guaranty workers in Florida. By August of 1992, that number had dropped to 109. At the same time approximately, the veteran population of Florida increased from 1980 1.35 million to 1.72 million in 1992, virtually a steady state gain of a thousand veterans a month for that entire period. During that time no other state suffered such a loss in Home Loan Guaranty workers as did Florida.

We would need in fact today 130 new Loan Guaranty workers just to achieve parity with Texas; and that is salient because, in 1988, we passed Pennsylvania in veteran population. In 1990 we



passed New York. By extrapolation, I can say last year we passed Texas in veteran population, and are now second only to California. So, it does not make a lot of sense that we have a lot fewer home loan guarantee workers in Florida than is true in Texas. We believe that Florida veterans should be treated at least as well as veterans are treated elsewhere.

As far as the home loan program nationally is concerned, the veterans' groups tend to regard recent tendencies as disturbing. They tend to regard the program as less attractive than it once was. They regard the changes which are portended by the new administration, particularly the 2.5 percent user fee, and the 10 percent minimum down payment as damaging to the attractiveness of the program. In the view of many veterans, it appears that the dream of a home of one's own will recede along with a lot of other things.

We are looking to this subcommittee and to the—your full authorizing committee, and the Senate authorizing committee, and the new enlightened leadership in the VA in Washington to help us improve the situation here in Florida.

Thank you.

[The prepared statement of General Peck appears on p. 67.]

Mr. SANGMEISTER. Okay.

Mr. Rainwater, you spoke about making sure the veterans all received the checks that they had coming. Apparently that went rather smoothly and worked well. How did it work with the veterans who had insurance on their homes? How did you work with the private insurance carriers, such as Allstate, and State Farm, or anyone else that had home insurance? Didn't that become a problem for you at all? Did those private insurance companies work that well with the veterans down here—that you did not have to step in and say, look, you better get Joe's claim adjusted so he can get on to rebuilding his home?

Can you tell us a little bit about that?

Mr. RAINWATER. Well, actually, the insurance contractual arrangement is between the veteran and the insurer. We did not do direct interventions.

Mr. SANGMEISTER. I understand that. The point is is how well were the companies working? I think surely you would have heard something if they were not.

Mr. RAINWATER. Sure. It was a case-by-case basis. There are some success stories, and there are some horror stories. We heard the full range. Veterans would come to us, and we did facilitate some meetings between veterans and their insurers. We made contacts on their behalf. We made many of those contacts. On the whole, the insurance companies were here in force, they were on the ground, they had field people here working 24 hours a day doing their very best. I guess, in the context of Andrew, which was unprecedented, nobody, nobody, nobody was prepared for anything of that magnitude and to operate smoothly in that environment.

On balance, I would say that the insurance companies did an excellent job in responding to veterans' housing insurance needs, better than anybody could have expected. They certainly responded, in our portfolio loans, which we dealt directly with. They responded in a very very appropriate manner. We got better service

than we could have ever expected for our losses that we sustained in the VA portfolio program. So, on balance, the insurance companies did an excellent job. Unfortunately, several of the smaller insurance companies have become insolvent as a result of this disaster; but it worked better than we could have hoped for.

Mr. SANGMEISTER. Okay. Apparently, there had to be any number of veterans who—maybe just as a result of the hurricane itself, lost their jobs, and their loans were in jeopardy. As I understand your testimony, there were no foreclosures; but now some time has passed. What is the present situation? How are you handling that?

Mr. RAINWATER. Well, in the portfolio program, of course, we can call the shots, we are continuing to go the extra mile in forbearance for those individuals. Of course, once again, it is a case-by-case basis. If a veteran shows the future ability, in a reasonable way, to replay and to come current, we are still granting forbearance. We are continuing to dialogue in the guaranteed program with the mortgage holders, in an attempt to continue forbearance right up to the very limits. We are, at this point, beginning to hear from some of the holders that it has been 6 months now, really, what is the situation here? We are now looking at accepting deeds, in lieu of foreclosure refundings, and all of those kind of techniques that we do to preserve a veteran's equity, and to ensure that the veteran stays in the home.

To sum it up, both on the portfolio side, and in the guaranty side, we are going the extra mile in forbearance, to be sure that the vet still stays in his or her home, if they desire. Many people have left.

Mr. SANGMEISTER. Along those lines, because we have some legislation pending to give another avenue to the VA, rather than refunding or buying off the obligation from the lender, to have a \$10,000 loan that could be made to a veteran who, in the VA's opinion, would carry him over for a period of time. What are your thoughts on that?

Mr. RAINWATER. Obviously, I would be in favor of that provision, particularly, if the veteran is in any way credit-worthy, I think it would be a good thing to do.

Mr. SANGMEISTER. We think it also would save the VA money. From the standpoint that, rather than having to pay off the mortgage, or pay the guarantee on the loan, which costs multi-millions, that, if a veteran has a reasonable shot at making it, that the \$10,000 loan might be the way to go. I ask that because we have legislation pending.

Yes. The gentleman from Georgia.

Mr. BISHOP. I was going to ask that very same question, Mr. Chairman, about the legislation that was pending. I was wondering if you thought that that would help, particularly in disasters like this one, if that legislation had been on the books, if it would have provided additional assistance to veterans in going through a difficult period.

For example, I would imagine that, in areas like this, some of their employers were wiped out, and many of them ended up without jobs, which means that they did not have the income, other than maybe some retirement or disability benefits that they may have had, to continue their mortgage payment. In addition to the

\$10,000 additional loan, do you think that other kinds of support for veterans would help? Particularly this legislation for the \$10,000 extra, would that have helped your situation here with veterans who are on the brink, or were on the brink of foreclosure, as a result of the storm?

I think there is another piece of legislation that would allow refinancing of the mortgages in sort of the forbearance program, so that they could renegotiate the loans with the lower interest rate, particularly now that interest rates have gone down. You have veterans that would have perhaps lost a job as a result of this storm, or for some other conditions, who have now obtained employment at a lower level than their employment status was, in terms of pay at the time they negotiated the original mortgage.

There is legislation I believe that is pending before our committee that would allow the renegotiation of the mortgages at a lower interest rate. Would those kinds of laws, in your opinion, assist veterans, in the long-run, in terms of their stability, and the continuance of affordable, accessible housing, in the long-run, as opposed to homelessness, or foreclosures and that type of thing?

Mr. RAINWATER. My response is that all of those avenues you have described would be beneficial in keeping a veteran in affordable housing, which we obviously agree with. The operative word here being affordable. The only down side of that would be to prevent or to ensure that veterans do not get themselves into a negative equity kind of situation, and be long-term or damaging to their financial condition. Yes, on a case by case basis, I would strongly support those avenues you described.

Mr. BISHOP. One follow-up question. Are you familiar with the legislation pending?

Mr. RAINWATER. On the \$10,000 loan, I am, on the refinancing I am not.

Mr. BISHOP. Okay.

Mr. RAINWATER. We already have a refinancing program which we employ currently. I am not familiar with the details of what your proposed refinancing package might be.

Mr. SANGMEISTER. Okay. Does the gentlelady from Florida have any questions she would like to ask of any members of the panel?

Ms. BROWN. I would just like to quickly say to General Peck that I heard you. I understand that we have one of the oldest veterans' population, one of the fastest-growing in the United States. We are not getting our share of the resources. I am going to speak with the Secretary. I am sure the other members from the other delegation members of Florida—we have got to figure out how Florida cannot continue to be a donor state.

General PECK. Thank you, Congresswoman Brown. If I may, I would like to say that I have known Jesse Brown for some time and Hirschel also, and I have some confidence that they will view us with greater sensitivity than has been true in the past.

Ms. BROWN. Thank you. I will be meeting with him in the next 2 weeks, so I will send greetings and bring them.

Mr. SANGMEISTER. Okay. A couple more questions.

In terms of renting VA-owned property, are you considering renting some of these properties with options to buy?



Mr. RAINWATER. We have not explored the question of options to buy. Of course, that is always encouraged and welcome, if they can. We do not have the authority to do that at this point, with an option to buy. We would hope that we can convince someone that it is appropriate to buy the property they are renting, but we have no provision to apply rental payments against the purchase price at this point.

Mr. SANGMEISTER. If we have got our figures correct here, it appears that the VA offered 187 properties to FEMA and veterans' organizations for the hurricane victims and the homeless, and yet only three properties were used? Correct me if I am wrong.

Mr. RAINWATER. That is correct.

Mr. SANGMEISTER. Why was the usage rate so low, when there was such a great need?

Mr. RAINWATER. Well, I am not sure. You are going to have some folks from FEMA who could address that more directly. It is our understanding that FEMA deals more efficiently in multi-family properties. Of course, all VA properties are single-family, which makes it logistically cumbersome to deal with. Of course, all of our properties—most of them are in a secure condition, which means with all of the utilities and the infrastructure turned off. It would require some logistical support to get the systems up and running and make them habitable.

I am assuming that the reason we did not get a wider response was that most people—it was my observation, having spent considerable time here in South Dade County, that most people, if their house was in any way salvageable, or if there was anything left, they stayed in the structure, or brought in a mobile home and put it in their front yard and stayed on their own property, that was their first choice.

Mr. SANGMEISTER. Mr. Doherty, what is the VA doing in outreach for the homeless veteran who may not know how to receive assistance from your facility? I mean, what kind of communication do you have out there?

Mr. DOHERTY. What we are doing, Mr. Sangmeister, is going out with our social work service teams, our teams from psychology, and our teams from the Veterans' Outreach Centers, going out as teams. We go to the beaches, going under the bridges, out on the streets; to meetings, dealing, and sending out pamphlets and literature; we're doing whatever we can to contact the homeless veterans. When we do identify the individual as being a veteran, we try to give them whatever assistance we can by bringing them in to the medical center, or to one of the clinics, or to one of the outreach centers. We have been able to establish contact with many employers, and get gainful employment for many of our homeless veterans. We have done other things which I think have been a tremendous help in alleviating the very sorry situation in which many of these people live.

Unfortunately, some of our homeless veterans desire to live in that kind of a structured life, if you can call it structured. After 2 or 3 days of employment, they leave their jobs and there is not much we can do about it. We have been able to reach a good number of them and convince them that gainful employment and proper shelter is a better way of life.

South Florida, as you can well imagine, is a haven for the homeless. The good weather, warm beaches, and other things being available. We do have a lot of homeless in South Florida. We submitted a proposal to our Central Office to initiate a program for the homeless; for the chronically mentally ill. This program has been approved and we are going to get support dollars in the very near future. When we do, we will be able to do more for the homeless veterans. In essence, we have a number of programs, sir, that are ongoing to reach out to the homeless.

Mr. SANGMEISTER. Do you have a ballpark figure of how many more homeless you are treating now since the hurricane than before?

Mr. DOHERTY. Yes. We have had over a hundred homeless that have come in or that we have reached out and identified.

Mr. SANGMEISTER. The gentleman from Georgia.

Mr. BISHOP. Yes. I would like to follow up on the homeless situation. With regard to your homeless populations, both to Mr. Doherty and Mr. Rainwater, in terms of services and benefits, to homeless veterans have a problem receiving their benefits because of a lack of an address? How do you address that? Because I think all of our benefits and just about all of our systems turn on and address a Social Security number. Of course, that kind of identification, that is one of the key ways of targeting the benefits is an address. When a person is homeless, how do you—I heard you say you go out to the bridges and the beaches, and wherever they are assembled. The first part is how can you reach them? How do you know what percentage of the homeless population you are actually reaching, and how many are yet unserved?

The second question that I would like for you to address, the two of you, if you can, is whether or not you have observed any disparate impact more heavily on the minority veterans, as a result of the storm, in terms of their ability to bounce back, as compared to veterans as a whole? Has the impact been more disparate on the minority populations in terms of the bounce-back ability, the ability to hold on, to carry on, mortgage foreclosures, benefits, social services, the whole works?

If you would address those two questions, I would appreciate it.

Mr. RAINWATER. The first question, on getting a homeless veteran an appropriate address to deliver benefits, and services, you have identified one of the most pressing problems we have on that issue. One of the most effective ways we have found to do that is to—through our outreach program, to convince homeless vets that at least they should work with our partners in the veterans' service organizations. There are many instances where homeless people receive their benefits payments through the American Legion Post, the VFW Post, the DAV Chapter. We do that quite frequently here in South Florida. We do have a very strong cooperative relationship with those organizations. It has been a very effective tool. Others we send to the various homeless coalition agencies, both here in—all over the State of Florida. So, it is a problem. We are trying to address it. It is not a perfect world, given the environment that homeless folks endure. We are continuing to work on it, primarily through our friends in the veterans' organizations.

The other program—your other question had to do with the disparate impact on minority populations in the aftermath of Andrew. Having spent, as I said, considerable time here in Homestead, it is my observation that Andrew was very culturally diverse. It affected everybody. I cannot—I could not identify that it affected a minority population more, other than, as you know, much of the population of South Dade is black, hispanic. A large segment of those folks are recent immigrants, and they are not veterans per se. I am sure that, in the overall population, the minority population was impacted more heavily than the non-minority. In the veterans' population, I identified no special impact to minorities.

Mr. BISHOP. Following up on that, I was also concerned about foreclosures, as a result of the loss of homes, the loss of employment. I was wondering if—many times the minority veterans are the higher at-risk veterans, in terms of the VA loans for housing. As a result of that, I was just postulating that it might be more difficult for minority veterans to carry on and to hold on. I was wondering if that was borne out by your observations, in terms of the foreclosures, and whether or not, if it was borne out, I would assume that the measures that we are considering in the committee, the \$10,000 additional loan guarantees, et cetera, et cetera, might be an option that would help address that.

Mr. RAINWATER. As I said before, that would be an option. That would be a very viable option, and that would be the salvation of many home loans. A \$10,000 grant loan, under whatever you call it. Here again, the only word of caution I have is to ensure that we are not getting a veteran into a more negative financial condition than they entered with. That would be my concern.

Mr. BISHOP. That is a concern. Normally the NCOs and the officers who are veterans would be good risks in terms of a VA loan, and they would probably be good risks even in the wake of an Andrew.

Mr. RAINWATER. I would agree.

Mr. BISHOP. Whereas, the veterans who retired at—who retired or who separated at a lower rank would, in the general population perhaps be a higher risk loan recipient in many instances. It would seem to follow that they might have more difficulty bouncing back as a result of a crisis like this.

Mr. RAINWATER. I agree.

Mr. BISHOP. Some statistics like that would be helpful if we could do any kind of research on that. I would appreciate knowing that.

Mr. RAINWATER. I would like to do that.

Mr. SANGMEISTER. If you would submit that to the committee?

Mr. RAINWATER. Yes.

Mr. SANGMEISTER. Congresswoman Brown.

Ms. BROWN. Just in quick response to the conversation I just thought I heard, the entry-level, or the lower rank would probably be the one that would need the loan or the grant program more I would think, Mr. Rainwater? Can you respond to that—the \$10,000 loan program? Who would need it more?

Mr. RAINWATER. Of course, generally, a person of lower rank, but that is not necessarily true. I do not know if you could draw an absolute line there, because, you know, my own personal condition, I was an E-5, enlisted man, and I now make a fairly decent salary



with the Federal Government, so it is not always the case. Primarily, I would say that a young enlisted person who has a new loan, that is 3 years or less, generally those are the kinds of folks we deal with in the foreclosure activity. You are absolutely correct. Those are the ones who need help the most in a foreclosure situation.

Mr. SANGMEISTER. Okay. We are already starting to run behind. I have got one question of General Peck that I would like to ask.

From what I understand, you have a good working relationship with the Department of Veterans Affairs at the Federal level. Here is your chance to publicly state what is wrong with the association between the two of you.

General PECK. Well, at the risk of getting this on the record, I publicly berate these guys all of the time, Mr. Chairman.

I would like to say though, in Washington, my relationships with the leadership in the VA Central Office, in the past couple of years, have not always been harmonious. I do not know whether you knew that or not. Mr. Derwinski and I were not members of a mutual admiration society. On the other hand, Jesse Brown is a gentleman I have admired, who has been a fervent and ardent advocate of veterans' benefits and rights. I have known him for several years. I have known Hirschel for even longer, and he is a good friend of mine. I am assured, from conversations I have had over the past several years, that they will treat our problems with greater sensitivity than has been true of the most recent leadership in the U.S. Department of Veterans Affairs.

Mr. SANGMEISTER. Your point is very well taken.

There is a question from a military retiree in the audience. This will be the only one I am going to ask. If anyone else in the audience who would like a question answered please give them to me, and then we will submit them for an answer in writing. Mr. Doherty, the question is will the VAMC in Miami accept and treat military retirees and their dependents at this time until the Homestead Outpatient Clinic is complete? What limit, if any, will be placed on the treatment rendered, for example, treating all conditions deemed eligible under the military hospital care entitlements?

Mr. DOHERTY. We will treat all military retirees. Dependents. We do not have the facilities to treat many of the females and children. So, at the present time, it is limited to the military retiree him or herself. We will provide both inpatient and outpatient care and treatment, to the extent that we have the services they need available. We are treating them now, and we have a deal with what we call a Department of Defense Clinic in operation on the first floor for the men and women who are active duty; and the retirees, we are also treating them. So, they are welcome to come to the medical center.

We do have a little problem with the outpatient, as far as prescriptions and drugs are concerned. Homestead prefers to let the military retiree furnish them the prescriptions, and they fly to McDill to get the prescriptions, come back. We have offered to fill the prescriptions, but this is something the military has decided that has to be resolved by a higher authority, somebody a lot bigger than we are.

Mr. SANGMEISTER. Okay. I hope that answers the party that asked the question.

Are there any questions from Congressional staff?

(No response.)

Mr. SANGMEISTER. If not, gentlemen, thank you very much for being here. We appreciate your time.

The next panel is Mr. Robert H. Volland, Chief of the Individual Assistance Division, the Office of Disaster Assistance Programs from FEMA; Ms. Donna MacDonald, Executive Director of the Miami Coalition for the Homeless; Monsignor Bryan Walsh, accompanied by Peter Coats, from the Catholic Community Services; and Mr. Erick Swenson, Greater Miami Chapter, American Red Cross. Okay, then I believe Mr. Edward Van Loan, Veteran Service Officer for Florida Department of Veteran Affairs would also like to testify.

I think everyone is in place. Mr. Volland, from FEMA, proceed.

**STATEMENTS OF ROBERT H. VOLLAND, CHIEF, INDIVIDUAL ASSISTANCE DIVISION, OFFICE OF DISASTER ASSISTANCE PROGRAMS, FEDERAL EMERGENCY MANAGEMENT AGENCY; DONNA MACDONALD, EXECUTIVE DIRECTOR, MIAMI COALITION FOR THE HOMELESS; MONSIGNOR BRYAN WALSH, CATHOLIC COMMUNITY SERVICES accompanied by PETER COATS; ERICK SWENSON, GREATER MIAMI CHAPTER, AMERICAN RED CROSS; EDWARD C. VAN LOAN, JR., VETERAN SERVICE OFFICE, FLORIDA DEPARTMENT OF VETERAN AFFAIRS; ANDY MENENDEZ, HOMELESS PROJECT COORDINATOR, METROPOLITAN DADE COUNTY**

#### **STATEMENT OF ROBERT H. VOLLAND**

Mr. VOLLAND. Good morning, Mr. Chairman.

Mr. SANGMEISTER. Good morning.

Mr. VOLLAND. As you noted earlier, we have provided written testimony.

Mr. SANGMEISTER. Is that mike on?

Mr. VOLLAND. Let me see. Is that better?

Mr. SANGMEISTER. Yes. I guess you have to get pretty close to the mikes.

Mr. VOLLAND. All right, sir.

Mr. SANGMEISTER. That is much better.

Mr. VOLLAND. We have provided written testimony. I will summarize that.

Mr. SANGMEISTER. May I say to all of you that have submitted written testimony that it will all be made a part of the record. Okay?

Mr. VOLLAND. Thank you. I will try to make the summary actually shorter than the written testimony.

Mr. SANGMEISTER. Okay.

Mr. VOLLAND. We appreciate the opportunity to appear before this committee. As requested, I will dwell on the items which we were asked to discuss with you, which is a brief overview of our disaster housing program, our relationship with the Department of Veterans Affairs and some of our other activities that focus on the homeless.

Our Disaster Housing Program is intended to meet the needs of people displaced from long-term housing as a direct result of a major disaster or emergency. Primarily, the program addresses the needs of people who have been displaced as a result of physical damage to their residence. The assistance comes in several forms. Most of it is financial. The agency provides grants to homeowners to permit them, where it is possible, to make expedient repairs to their homes to permit them to remain in the residence. We also provide grant assistance for people to rent alternate accommodations where repair is not possible, or for people who were pre-disaster renters.

We can also provide mortgage and rental assistance grants to prevent people from being displaced by eviction or foreclosure, as a result of a disaster-related financial hardship. Finally, we have a stock of mobile homes which can be brought into disaster areas. We consider this to be a last resort form of housing because of the time and expense involved in transporting, installing, and making the homes ready for occupancy.

The process is that we accept applications for assistance through disaster application centers established in the disaster area, and through a national teleregistration center that permits people to apply for assistance over the telephone using a toll-free number. Information provided on the application is normally verified by an inspection of the damaged residence. Based on that inspection and the results thereof, we can cut checks in our disaster field offices. In most cases, people are receiving assistance within a week to 10 days from the time they apply. Even in large disasters, such as Hurricane Andrew certainly was, most people receive assistance in 2 to 3 weeks.

As a result of Andrew, FEMA has provided over a hundred million dollars in disaster housing assistance grants to over 47,000 households in South Florida. In addition to that, we have expended an additional \$27 million in housing to almost 3,800 applicants in mobile homes and travel trailers. This assistance has been provided much faster, in the case of Andrew, than any previous comparably-sized disaster. When we make comparisons with the agency's performance after Hugo in South Carolina, in comparable periods of time, we have provided eight times more assistance to five times more families in Southern Florida.

The degree of destruction caused by Hurricane Andrew did make this a very difficult recovery operation. Damage to the housing stock was severe, aggravating a pre-disaster shortage of vacant rental housing. This, in turn, caused us to use the largest number of mobile homes that the agency has deployed in 20 years.

There was an extensive amount of work involved in clearing debris, and repairing utilities in damaged mobile home parks. For this reason, we were unable to provide these units as rapidly as we and the victims I am sure would have liked. Even the establishment of life support centers was able only to partially alleviate the suffering of these families. At the present time, mobile homes have been provided to 97 percent of the households that we have identified as needing them.

As regards our relationship with the Department of Veterans Affairs, we normally coordinate in two ways. First, we make sure



that veterans are informed, through our Disaster Application Centers, and through our teleregistration center, about contacting the Department, and seeking appropriate assistance from that organization, as well as from state veterans' organizations.

Secondly, as the subcommittee has already noted, we obtain listings of vacant VA housing in the disaster area, and they generally are much involved in coordination meetings that FEMA chairs that are attended by Federal, State and voluntary relief agencies in the aftermath of declared major disasters.

The intensity of the damage caused by Andrew was such that nearly all of the housing in the heavily affected area was damaged to a certain extent, and that includes VA housing as well. As a result, FEMA could not refer people to this housing. The undamaged VA housing, as the numbers indicate, was a very small proportion of the available rental housing outside the heavily affected area.

People who chose to move outside the affected area chose to move to private sector rental accommodations. Although most people who sustained damage as a result of Hurricane Andrew, elected to stay in or very close to their damaged communities because of employment, schools, or other considerations.

As I noted earlier, Mr. Chairman, the primary form of our assistance is a check, based on the premise that disaster victims know the area much better than the Federal Government, and the thing that they need is money that will permit them to find alternate accommodations. Our assistance process provides that if a disaster victim indicates difficulty in locating adequate accommodations with the grant that the agency provides, we can refer them to housing, and the VA housing would be on that list. The first option that we give them is a check. We find that most often the victims are able to find housing for themselves much more efficiently than we would be able to.

FEMA also works with the Department of Veterans Affairs in the context of our joint membership on the Inter-Agency Council on the Homeless. That organization drafted last fall a strategic plan for dealing with the response to the needs of the pre-disaster homeless population here in South Florida.

Finally, FEMA also serves as the Chair of the National Emergency Food and Shelter Board, which makes grants to state and local recipient agencies to meet the homeless needs. The Board last year made an additional \$200,000 available here in South Florida to at least partially address some of the needs of the non-disaster homeless.

That completes my statement, Mr. Chairman. I would be pleased to address any questions you or the members may have.

[The prepared statement of Mr. Volland appears on p. 77.]

Mr. SANGMEISTER. Okay. Before we take questions, we will go right down the list of witnesses here. Mr. Van Loan is the Veteran Service Officer Veterans Affairs for Metropolitan Dade County.

#### STATEMENT OF EDWARD C. VAN LOAN, JR.

Mr. VAN LOAN. Yes, sir. Thank you, Mr. Chairman. I do not have a prepared statement, unfortunately.

Presently, my office has an outreach station at the South Dade Government Center. Following the storm, of course, we had no office at all. We relocated to the South Dade Skills Center. We have approximately 2,000 active clients from Kendall Drive, south to Florida City.

Mr. SANGMEISTER. Pull that mike just a bit closer to you, would you, please?

Mr. VAN LOAN. I am sorry.

First, I would like to thank the VA for their presence in that 6-week period, and especially thank General Peck's office for maintaining daily contact with me to keep me abreast of what was going on at the State and Federal level.

Mr. SANGMEISTER. The reporter is still having a bit of trouble. The mikes do not pick up well I guess unless you almost get your face right down into it.

Mr. VAN LOAN. Everybody else says I talk too loudly.

Since we have reestablished our office at the South Dade Government Center, those clients who have returned to us are confused—I think this was alluded to before—specifically regarding the repairs of their homes and contractors, their insurance companies, and exactly how to deal with those specific problems. While we do appreciate the presence of the VA, I think General Peck mentioned the need for more VA staff I think especially in South Dade right now. The 6-week period was wonderful, but the people still need some guidance from someone. We cannot always offer immediate advice to these people. So, it is either a phone call to St. Petersburg, or they have to rely on the advice that we give them.

The homeless problem for veterans—I was a little surprised at the number 1,000. I think it is probably closer to 1,500 or 1,600. As a direct result of the storm, a coalition was established, and my office was involved in that coalition, to try and deal specifically with some of the problems of the homeless. One would be the possibility of having a stand-down like they have had in numerous other cities across the country.

Mr. SANGMEISTER. What is a stand-down?

Mr. VAN LOAN. It is a 3-day event where numerous agencies are brought into a specific area, and the homeless areas are brought to that area by whatever means, and they are cleaned, clothed, fed, and given whatever services are available in the community.

There is a tremendous need, we feel, for whatever Federal funds are available to come to the community, to deal specifically with the homeless veterans, and not just band-aid programs—programs that in fact will assist the veterans to get—or he or she get on their feet again, not time tables, where you have to be this, this and this. I think that there is a proposal by the VA Medical Center for such funds at the present time.

It was a very difficult time after the storm. I know we had perhaps foolishly tried to go out immediately and try and find our 2,000 clients, and probably found about four. So, whatever the VA did in that 6-week period, and whatever the state agency did, we thank them very very much, because it was an unbelievably difficult time for everyone. Unfortunately it is not over yet—not just in terms of putting houses back together, but in terms of putting lives back together.

I think what we have seen, with our people coming in, now that there is a reality that has been established for them because of having insurance problems, and contractor problems, and putting a roof on and having it ripped off again, because it was not built to code, it is almost like a PTSD thing now for some of them. I am hoping that that will be dealt with also.

Mr. SANGMEISTER. Well, sometimes disasters bring out the best in every human being. Apparently that was the case down here as it was when a tornado blew through my district. It was unbelievable the cooperation of people.

Monsignor Walsh, from the Catholic Community Services. Welcome, and proceed.

#### STATEMENT OF MONSIGNOR BRYAN WALSH

Monsignor WALSH. Good morning. My name is Monsignor Bryan Walsh. I am the Executive Director at Catholic Community Services of the Archdiocese of Miami. I have submitted written testimony. I just wanted to amplify it by a few more general remarks.

The nature of disasters are such that they are no respecters of persons. The nature of Government response is always in terms of categories. As a result, many people, many victims of disasters tend to fall between the cracks. We feel, as a voluntary agency, that it is part of our role to identify people who fall between the cracks, and attempt to alleviate their misery.

In following through, we identified, in a survey in December, some 5,000 people homeless in South Dade. This was done with the help of Government Agencies, local and state HRS, and the Community Action Agency of Dade County. That was a good example of voluntary and public agencies working together.

As a result of this, we reopened a tent city shelter for families with children who were rendered homeless by the storm.

Mr. SANGMEISTER. Is that the same one we are supposed to visit?

Monsignor WALSH. You are going to visit tomorrow. That is correct.

Mr. SANGMEISTER. We are going to try to make it.

Monsignor WALSH. Yes. I hope you do.

In this, again, we fall into the issue of categories, you know. These are people who have to be FEMA-eligible, who were residents of South Dade before the storm. Immediately adjacent to that, we had an abandoned migratory farm worker camp called the Taylor Camp, which has been taken over by construction workers, and their families who moved down from Georgia, and Alabama, and other places, looking for work as a result of the storm, and were unable to find housing. Besides that, there is a third group, migratory agricultural workers who come into the area. Again, we are faced with how you balance these different categories, some of whom are eligible, some of whom are not eligible for Government help.

An interesting statistic is that, among those in the tent city, there are 33 families at present with 130 children. There are only two families of veterans in the group. On the other hand, in the construction workers across the street, there are 25 families with veteran heads of household. I call that to your attention.



It is a surprise in the last couple of days that we hear that the VA had made available to FEMA some 128 habitable properties. We are told that this offer was rejected because the private rental market had met the need for temporary housing. I do not know where that quote came from, but it is totally and completely erroneous. I am sure it comes as a shock to anyone in South Florida. There is no capability in South Florida, and I am talking about as far away as Palm Beach County, for the private rental market to meet the need for temporary housing. It is just absolutely absurd. Certainly in South Dade there is absolutely no capability in this regard.

Now, what we are seeing is—and I think this will affect low income veterans perhaps more than anybody else—that there was a tremendous amount of rental housing in South Dade. Now the insurance money is coming in, people are being evicted, and been added to the homeless list, as landlords want to rehabilitate their properties. The problem is when the properties are rehabilitated, who will be able to afford the rent, given the supply and demand? I think the situation in the next year is going to be aggravated and become much more serious. It is going to become much more serious for low income veteran families. I specifically suggest to you that that needs very careful study and response.

I was philosophically opposed to tent cities when the Army set them up. We have tried to do this within some parameters to protect families—one family to a tent and this sort of thing. But, I have experience in refugee situations around the world, from Southeast Asia to Africa, and I can assure you that tent cities for families are the worst possible solution. I can also assure that every day a family remains in that kind of situation, the family begins to deteriorate and become more dependent. So, we are urgently in need of being able to move people out of this tent city as fast as possible as we identify their needs. So, I would specifically appeal to whoever knows about these properties that are available—even for these two families that are veterans—that we get them into it.

This has to be solved on a case by case basis, but we need the resources to establish this continuum of care and of response, so that people are not locked into a situation as they are currently. These families that have come to us from canal banks, where they have been living in trucks and cars for the last 6 months. They have come from rock pits, where the danger of epidemic is enormous because of no sewage facilities. Frankly, my opinion is that the housing situation for everyone and for veterans in South Dade is going to get much worse before it gets better.

Thank you, Mr. Chairman.

[The prepared statement of Monsignor Walsh appears on p. 111.]

Mr. SANGMEISTER. Ms. Donna MacDonald is the Executive Director of the Miami Coalition for the Homeless. Welcome, and please proceed.

## STATEMENT OF DONNA MACDONALD

Ms. MACDONALD. The Miami Coalition for the Homeless is not a direct service agency. It is basically more of a coordination, policy and planning advocacy and public education type of organization.

I would like to comment a little bit about——

Mr. SANGMEISTER. Are you privately funded then, or is there no Government money involved?

Ms. MACDONALD. Oh, no. We are funded by Government, private donations, et cetera.

Mr. SANGMEISTER. A combination of both?

Ms. MACDONALD. Yes. And the coalition is a coalition of service providers, local governments, interested citizens. It is a true coalition.

I would like to speak a bit to the general homeless situation in Dade before the Hurricane and after, and look at some of the issues coming out of that that will be affecting veterans and probably homeless veterans and a lot of other people as well.

According to our annual census of homeless persons, there are about 7,300 persons that are homeless, on any given night in Dade County, and about 1,200 of those manage to find some kind of shelter or transitional housing. Over a year, there may be more than 15,000. That is not the same persons on any given night. I think recently the homeless population throughout the United States is more and more reflecting the general population. We have 40 percent of the homeless who are now families. We are looking a lot of homeless youth. It is really starting to reflect the make-up of American Society. I think that the problems and needs of homeless persons are a lot different than they were 15 years ago. You had a very different population.

Most homeless persons in Dade County have some sort of substance abuse or mental health problems, or are duly diagnosed with both, I think it approaches 70 percent. So, we have not just people who need food and shelter, but people who need treatment. We have basically approaching a thousand homeless children on the street, on any given night, trying to get into shelters with their families.

We have quite a significant infrastructure of existing service providers, but, over the past decade, we have not had much success in attracting Federal funds, because we have not had local match dollars or much local support. We not been using sources like CDBG money for homeless programs. That may change now, with the House just yesterday passing a 2 percent expanded food and beverage tax for Dade County. That should really turn things around for us. In the last couple of years we have done a lot better.

Looking at homeless veterans, their situation is a little different because the VA does have some type of housing programs available. Typically, there are no permanent housing programs in Dade County for homeless. They are not normally moved into affordable housing projects when they are ready—when they become more independent. With the case with the elderly, whether it is a lot of affordable housing projects in Dade, a lot more than for homeless. Only 3 percent of the elderly are homeless. So, those programs really do work.

In Dade County, homeless vets have benefitted from housing programs. It has prevented some homelessness, because last year—and our statistics are not the greatest, but they are adequate. Fifteen percent of the homeless population were veterans.

Mr. SANGMEISTER. You said 50?

Ms. MACDONALD. Fifteen.

Mr. SANGMEISTER. Fifteen.

Ms. MACDONALD. Some other sources are estimating up to 25 percent. So, it is somewhere between 15 and 25, which is a little lower than the national average.

One of the biggest problems again is that homeless veterans are suffering disproportionately from special needs like substance abuse and mental health problems that are not being met. The typical housing program does not provide supportive services. I know that VA programs do. We have people living in the mud flats, under the bridges, who have lived there 10 years. I think it was just mentioned that outreach does not always work because people are not willing to participate. For people that are mistrustful of the system and have special needs, creative and innovative outreach programs are needed—something very different than is traditionally used, such as trying to talk to people and handing out leaflets. That is something that we really need to look at, in terms of being a little more innovative to reach the hardest to reach homeless veterans.

There are some ways that the Veterans Affairs' Department here could become more involved in this area. The Coalition has a Provider Forum that meets the third Wednesday of every month. This is an effort to provide a forum for bringing up issues to communicate between each other, and to avoid duplication of services. People are often surprised when they first come representing an agency, at how much they really find out, and how much they can link into this network.

We also have Project Link-Up, which is a computerized case management and information referral service that a provider or an agency can link into to access what resources are available throughout South Florida for homeless persons. That was a pilot, and we are just starting up on the regular program.

I think Monsignor Walsh gave a good overview of the impact of the hurricane, and the creation of 5,000 new homeless persons. I basically would echo everything he has said.

We have a tent city project for families, but we have no plan that I know of to address how we are going to make up for all of the permanent housing that has been lost. We are going to be facing a new crises very soon, and we don't have a plan. We have had a lack of affordable housing in Dade County for a long time. This massive loss of housing has increased vacancy rates and housing costs. I think when we look at Arena Towers, and Biscayne View, which are two of the apartments downtown by the Miami Arena, pre-hurricane, they could not be rented. They were offering every incentive. The rents were dirt cheap, they were rock bottom prices. At this point in time, the prices are a hundred, to \$200 over what they were before the hurricane, and there are waiting lists. On the South Beach, since the hurricane, prices for rentals are very similar to New York City. So, we are looking at a loss of af-



fordable housing. Even if we have housing assistance, where are you going to put people? So, there is going to be another wave of homelessness. There are the second waves of effects of Hurricane Andrew that are going to be happening for some time to come.

I think that, as the emergency response is winding down, we are not really getting into a plan for developing more permanent housing. It is not a question of just providing housing assistance funding.

Another point that I would like to make is that, if you have a homeless veteran who has mental health problems or substance abuse problems, should they really be living in a shelter? They need to be in an assisted housing or supported housing, or innovative projects. We need to really start looking at things that are a little more innovative than shelters. Housing and food are necessary, but people cannot live in dignity, if they have mental health or other chronic problems, in a shelter. It is not going to move them toward any independence or dignity.

I am really hoping to see any kind of support. I know that last year I wrote a letter of support for a VA proposal for homeless assistance, an outreach program, that I do not think was funded until after the hurricane. I would like to work with the VA. I would like the VA to become part of our provider network, and to see more funds come down for that purpose, and to have a greater involvement in developing alternatives to shelters and some permanent housing in Dade County.

[The prepared statement of Ms. MacDonald appears on p. 84.]

Mr. SANGMEISTER. Okay. Next is Mr. Swenson, from the Greater Miami Chapter of the American Red Cross.

#### STATEMENT OF ERICK SWENSON

Mr. SWENSON. Good morning, Chairman Sangmeister, and members of the subcommittee. My name is Erick Swenson. I am Public Affairs Officer for Hurricane Andrew Relief and Recovery Operations for the American Red Cross here in South Florida. Mr. Michael Carroll, the Chapter Manager of the Greater Miami Chapter, asked me to represent him and to thank you for convening this important hearing and involving the Red Cross in it.

The American Red Cross is, as you may know, a unique, private, non-profit organization with a humanitarian mission to provide relief to victims of disaster, and help people prevent, prepare for and respond to emergencies. It is the only non-Governmental disaster relief organization chartered by Congress to provide relief to victims of major disasters. All Red Cross disaster assistance is given free of charge, without discrimination—a gift from the American people made possible by voluntary contributions to the American Red Cross.

Countless individuals and families have been helped by the Red Cross before, during and in the aftermath of Hurricane Andrew. During the relief operation, more than 84,000 people were housed in 230 shelters. Disaster victims and emergency workers received 4,779,207 meals from 41 fixed sites, and 85 mobile feeding vans. 9,031 disaster welfare inquiries were completed for people seeking relatives in South Florida.

The American Red Cross provided more than 46.7 million in vouchers to more than 60,080 families for groceries, new clothing, medicine, and other essential items lost to the storm. 16,563 individuals turned to the Red Cross for medical needs related to the hurricane to address needs for prescription drugs, eye glasses, medical treatment, and other disaster-related health assistance.

To date, the Red Cross has committed more than \$68.7 million to relief and recovery efforts in South Florida, and we anticipate that commitment to rise as high as \$77 million. A total of 12,170 paid and volunteer Red Cross workers, including delegates from the Canadian, Columbian, and Mexican Red Cross National Societies provided aid.

Today, with emergency relief coming to a close, Red Cross operations are now focused on community recovery and individual additional assistance. When recovering from the effects of a disaster, individuals and families are expected to use all available resources, including those of Government disaster recovery agencies, and other private organizations. When needs are not met through these resources, the Red Cross may work with individuals and families to address remaining needs through the American Red Cross Additional Assistance Program.

The Red Cross Additional Assistance Program helps bridge the gap between what disaster victims are able to accomplish for themselves and what is needed to resume a more normal life in their home and their community.

The Federal Emergency Management Agency, FEMA, refers clients to the Red Cross for consideration, including those disaster victims who receive the maximum grant of \$11,500 from the individual and family grant program. After receiving these referrals, it is the responsibility of the Red Cross to contact each individual or family and let them know it is the sincere interest of our organization to work with them, should they require additional assistance through the American Red Cross.

For the sake of brevity, a copy of the letter sent to clients referred to the Red Cross, is included with your copies of my written testimony.

The American Red Cross takes very seriously its commitment to working with each individual or family on a case by case basis. Examples of additional assistance could include working with other community groups to provide voluntary labor, or materials in getting the victim's home back online; providing the means for victims to purchase needed household items lost to the hurricane; addressing longer-term hurricane-related medical needs; or rebuilding and repairing the victim's storm-damaged home, if other resources are not available.

Moreover, the American Red Cross advocates working together with our clients and other agencies to best meet disaster-related needs. It is a Red Cross tradition—neighbor helping neighbor.

One of our neighbors in South Florida, Ms. Lisa Wynn of Miami, could also testify to that. Ms. Wynn received a letter from the Red Cross asking if she needed additional assistance, and this was her response: "I have just received your letter dated February 2nd, 1993, and now I feel it is time for me to write you a letter. Thank you for everything. We have never been through what we went

through on August 24th, 1992, so I never knew the importance of the Red Cross.

"After Andrew, we really did not know how or what we were going to do. It is probably the first time in my life I did not know which way was up, then God sent an angel, the angel being the Red Cross. Your people came in and took over. You should be very proud of your staff. They were wonderful. They were calm and helpful, unlike I was. Everything was so organized and easy. It took a lot of worry off my mind, which at that time I could not have taken anymore anyway. Your help has been great. Although it does not begin to replace what Andrew took away, it has made a start.

"Then I received a letter dated February 2nd, 1993. Again, God sent another angel, still calling itself the Red Cross. I could not believe it. Months after the storm, you are still helping. Even though your help is wanted, and maybe even needed by me and my family, I cannot stop thinking there must be others worse off than us who need it more.

"Please keep our address and phone number below. Some day I will be back on my feet and would like to start making monthly contribution to the American Red Cross. God bless you all, and thank you."

Chairman Sangmeister, and esteemed members of the subcommittee, thank you for inviting the American Red Cross to participate in this hearing today. As I end my remarks, let me take the opportunity to publicly praise, on behalf of the Red Cross, the thousands of individual citizens, and countless business organizations who contributed their time, talent, and financial resources, to provide relief and ongoing recovery to disaster victims in South Florida.

Thank you.

[The prepared statement of Mr. Swenson appears on p. 89.]

Mr. SANGMEISTER. Thank you. I noticed coming down here, someone had written thank you for being so thoughtful on the side of one of the buildings. I think the Red Cross and a lot of other people were being thanked with that.

Let me ask a few questions here, and I will let my colleagues come aboard with some questions.

Mr. Volland, let's see if we can get straight what is going on here. Apparently, the VA says, if I understand it correctly, that they offered FEMA 120 habitable properties for housing the homeless, but you did not use any of those. Is that accurate to begin with? If so—you know, under the circumstances one would think—

Mr. VOLLAND. Yes, sir. I have absolutely no basis for disputing the number. In my remarks, I address the fact that a couple of conditions contributed to the fact that those properties were not used. First of all, the people with whom we deal have to be eligible for assistance under the act which we administer. That means they have to have been residents of the area, and have to have occupied either property that they owned, or property that they rented at the time the disaster occurred. Our disaster relief authorities do not permit us to deal with pre-disaster homeless individuals.



So, if we can set that clientele aside for the moment and talk about the disaster victims that we are permitted to help under our act—as I indicated, the first option that we offer to eligible disaster victims is a grant, on the presumption that they are much more able than we, who are comparative strangers to any disaster area, to find alternative housing in the cases of those individuals whose homes were so badly damaged that they were not inhabitable. To the extent that they indicate to us that one, they do not want to leave the area, and two, the money that we gave them is no good because there is nothing in their community for them to occupy, then we move to the other option that I mentioned, which is to bring in mobile homes, of which we have brought in about 3,800.

Mr. SANGMEISTER. Is there a kind of pool of mobile homes readily handy that you can get 3,800 mobile homes? They are not in stock? You do not physically—

Mr. VOLLAND. Yes, sir.

Mr. SANGMEISTER. You have got those in stock?

Mr. VOLLAND. Yes, sir. In advance of Andrew, we had about 1,500 in stock. In the immediate aftermath of Andrew, we have purchased another 3,500. They were located at Forest Park, GA, and Blue Grass, in Lexington, KY, and we also have a facility in Dempsey, out in Palo Pinto, TX.

As I indicated, the VA properties that were in the disaster area, suffered the same fate as the rest of the housing stock in the disaster area, which made them, for the most part, uninhabitable.

The VA properties that were located outside the disaster area, north of here primarily, were not, for whatever reason, considered as attractive to people who chose to move out of the area, because we had very few cases, I am given to understand, of people who, if they decided to move out of South Dade, came back to us and said we cannot find a place with the money you have given us. We found that a significant number of the people who lived in South Dade before chose to stay in their communities for any number of reasons and, given the choice that they exercised, the VA housing was really not a practical alternative, which is why we have so many mobile homes down there, sir.

Mr. SANGMEISTER. Okay. Is there anything that you could suggest to us in a catastrophe such as this that could be a better working relationship between the VA and FEMA?

Mr. VOLLAND. Sir, I have absolutely no complaints, based on my own experience, and in conversations I have had with our people who have been here in Miami since the beginning, no recommendations for any significant change in our relations with the agency.

Mr. SANGMEISTER. Okay.

Anytime any of my colleagues want to ask a question, just—would you like to? The gentleman from Georgia.

Mr. BISHOP. Thank you very much. Let me first take this opportunity to express my appreciation, as a citizen and as a concerned person, about any human being who suffers in the face of this kind of a disaster. My appreciation to your organizations and to you as individuals, and all of the people you represent. It is really refreshing and heart-warming to hear how you were able to come together and truly make a difference. As one individual speaking, I just want to commend you for what you did. I think it is one of those

kinds of opportunities that makes you feel good about humanity, when you can see people come together though a disaster, and through a crisis such as this, and work together as one human family.

I wanted to ask Mr. Volland a question. In your testimony, Mr. Volland, you indicated that a comparison between the response time, in terms of your ability to respond following Andrew, and you compared that with Hugo, with the number of individuals that were served, and the amount of dollars and benefits that you were able to get out within the first 48 days following the disaster. I want to commend you for that. I really wanted to ask if there were any lessons learned, or if there was anything that you could tell us that accounted for the quicker response time in disseminating the benefits so that we could perhaps try to institutionalize that for the future? That is the first concern I would like to raise?

Mr. VOLLAND. Yes, sir. The lessons that we learned out of Andrew are not significantly different from the lessons that we learned out of Hugo. I am convinced that, God forbid were there to be another catastrophe such as this, that we would see another quantum leap in the agency's ability to deal with the situation.

Basically, it was just a result of analyzing very carefully, which the agency did in 1990 and 1991, the experiences that we gained in terms of the administrative practices in the grants management systems that we have, pulling those apart and streamlining them and putting them back together. It turns out that they worked very well down here, not that we have not picked up a few more pointers that we want to apply to this process in the future. Basically, it was just learning from experience.

Mr. BISHOP. The other question which I would like to address to the entire panel, and you all do not have to answer it, but I am sure that perhaps some of the questions I have put to the earlier panel in regard to statistics, regarding minority populations, and the disparate impact, if any, that they suffered, apparently—I am sure, Monsignor, you have some very specific information that you testified in your testimony. I was wondering if all of you were able to make any observations—I should say any of you or all of you were able to make observations about the impact on minorities, particularly low and moderate income minorities, with regard to their ability to respond and to bounce back in this crisis situation, and whether or not there need to be any other special steps taken to try to assure that in the future low income people would be not hurt in any more disparate fashion, or would at least have the ability to mend their situation. Do you have any thoughts on that?

Monsignor WALSH. If I could just add a word to what I already said. The people who live in big houses on Old Cutter Bay, they could move to the Hyatt, and they could move to Marriott, and they did. So, inevitably there is disparate treatment. I think the big danger, and I think everyone in Congress should be aware of this—that we are not really on the road to recovery in South Dade. There is a very very real danger that South Dade could become a major pocket of poverty. A lot of people are concerned about this. A lot of people are working very very hard. I am sure that the Homestead City Commission and the Chamber of Commerce are as concerned about this as I am. It is a very very serious situation.

The restoration of jobs here and businesses—there are large shopping centers where very little sign of rebuilding is occurring. The job situation, the transportation situation in South Dade, Homestead Air Force Base, what will be announced today will have a major impact, one way or the other. I think we have to be extremely concerned about that, and the very large minority populations in South Dade will disproportionately suffer as a result of what happens.

Mr. BISHOP. In regards to veterans, the VA, with housing loans and the whole package of veterans' benefits then, just in coming in and seeing the tremendous devastation that has impacted this area, I mean, it looks like a high-poverty area. We observe that there do not appear to be the signs of rehabilitation and of trying to bring it back. This has got to have a frightening affect, and created a lot of anxiety on the part of realtors, as far as mortgage bankers are concerned, in regards to property values. They are obviously going to stay down unless some kind of rehabilitative steps are taken. There is such a wide geographical area of devastation that I am really pulling my hair at this point, wanting to know what the recommendations would be to try to bring the area back to life again.

Mr. VOLLAND. Mr. Bishop, if I may. As the committee may know, President Clinton has designated the Secretary of Housing and Urban Development to head a task force to address specifically the sorts of issues to which you are alluding. I think the Secretary recognizes that this area is at a crossroads right now, and the actions and decisions that are taken at all levels of Government in the next several months are going to be crucial.

The Federal Emergency Management Agency will be represented on that task force. At this point, I cannot convey much more than that to the Committee, other than the recognition by the President that this needs to be addressed and needs to be addressed in a systematic way.

Monsignor WALSH. Mr. Congressman, if I could add one other remark. We have talked a lot about the question of physical housing, rebuilding, and the rest of it. Our other great concern is rebuilding families and lives and how the Catholic Community Services in the current fiscal year has allocated \$1 million towards dealing with post-traumatic stress, family violence, increased substance abuse, and alcoholism. We are inundated. This cuts across every economic and social ethnic group. We are inundated with cases, from children who are suffering nightmares, to families that are breaking up because of the stress created by living conditions, and long hours of transportation to and from work. Even those families that were able to find apartments in Miami, or able to find apartments in Brown County, and even Palm Beach County—2 hours commuting every day to and from, trying to hold a job down here, is not conducive to good mental health.

So, that is an area that tends sometimes to be overlooked, but we see this. We have made a commitment. I told our national organization, Catholic Charities U.S.A., the other day in Washington, that we should be planning on a 5-year recovery period, and we would need help for the next 5 years.



Mr. BISHOP. So, in addition, you think the housing situation contributes to the other social programs?

Monsignor WALSH. Oh, absolutely, yes.

Mr. BISHOP. The stresses on the family and on individuals, and results in the family violence?

Monsignor WALSH. No question about that. We have known this from inner cities for many years; but we are seeing it now all over South Dade.

Mr. BISHOP. So, whatever solutions that are proposed, you are saying that we cannot deal with housing in an isolated fashion—that everything is inextricably intertwined, and there has got to be a holistic approach?

Monsignor WALSH. Exactly, yes.

Mr. SWENSON. Mr. Bishop, in response to your question as well, it is important to note and to recognize the importance that all community groups have, not just in disaster relief and recovery, but also in disaster preparedness. Andrew did more than just blow off roofs. It also blew apart in many ways, at least for a time, the social service network and safety net that many people rely on here in South Florida. The Red Cross, since before the storm, has been committed to working with community groups in disaster preparedness. In fact, we have a very active voluntary agency's liaison program, both with the Hurricane Andrew Recovery Center, and with the Greater Miami Chapter. We encourage other community groups to join us in disaster preparedness. That is one critical lesson we cannot allow ourselves to forget from this disaster.

Mr. BISHOP. Mr. Volland, in light of that comment, would—and do you have a planning division within the agency? Are you aware of whether there is a planning division within the agency to deal with the kinds of things that—I guess that is what you do?

Mr. VOLLAND. Yes, Mr. Bishop. There are a couple of places within the Federal Emergency Management Agency from which assistance can be made available to state and local governments for this purpose. Through the National Civil Defense Program, which FEMA administers, there is a significant amount of money provided to support the emergency management infrastructure of state and local governments, both in terms of personnel and, to a lesser extent over the immediate past years, equipment. We also provide funds, although a fairly small amount, to state governments for disaster preparedness improvement grants.

The agency also administers the National Flood Insurance Program, which has done a significant amount of preparedness work, as well as supported activities that resulted in the development of the evacuation models that were used here in the State of Florida to determine the areas that would need to be evacuated in advance of a hurricane. So, the agency does make a significant contribution to preparedness activities. The results in Andrew, in terms of the comparatively small loss of life, as compared with the magnitude of the storm, are a testimony to the success of that effort, as well as to the very good work and close collaboration among the state and local governments in implementing their plans.

Mr. BISHOP. That area in Florida, and the coastal areas that experience storms and hurricanes on a regular basis, are much more sensitive to that kind of planning. There are other areas of the



country that do not have these kinds of things expected on an seasonal basis, as it were. It seems that many times local governments and state governments do not place as much emphasis on disaster preparedness. Do you think that we could perhaps use this as an example, in terms of trying to create a carrot on a stick situation for other areas of the country, to assist on preparedness? Is there any suggestion that you could make in that regard? Because obviously, if we have other areas that experience a disaster, not necessarily a natural disaster such as a storm, but something could happen in one of our large cities that could be equally as devastating, but not relating to a natural disaster like this, if we have not made those kinds of—do you have any suggestions in that regard?

Mr. VOLLAND. Well, sir, we certainly intend to use the more recent examples. We go back to Hurricane Hugo in 1989, and the Loma Prieta Earthquake, and Hurricane Iniki in Hawaii, to reinforce, with the rather broad-based connections that we already have at state and local governments, the wisdom and the utility of being prepared for the hazards that those communities or those areas are most likely to have to deal with.

Mr. SANGMEISTER. Okay. Just a couple more questions, and we are going to move on to the next panel. I am sorry. Yes?

Ms. BROWN. That is okay. I just have one quick concern. I am still confused about the housing. It seems that we did not have good coordination here. What agency had how many houses available? The VA made available—

Mr. VOLLAND. I believe it was about 120.

Ms. BROWN. 120?

Mr. VOLLAND. Yes, ma'am.

Mr. BISHOP. We did not use any of these houses?

Mr. VOLLAND. No, ma'am.

Mr. BISHOP. I still do not understand that. I understand categories. I do understand that, and pigeon boxes, and boxes that have to meet certain categories.

Mr. VOLLAND. Yes, ma'am.

Ms. BROWN. It seems to me that we would have been able to serve some of these families.

Mr. VOLLAND. It has to do more with the location of the properties than anything else.

Ms. BROWN. Where were the properties located?

Mr. VOLLAND. Ma'am, I will have to provide that for the record; but my understanding is that the properties that were available—and I mean available in the sense that they were habitable properties—were comparatively distant from the area that suffered the impact.

Ms. BROWN. Well, I would like to see that.

Mr. VOLLAND. Yes, ma'am.

Ms. BROWN. Because, if one agency was making some properties available for you, they should have certain standards or would be able to be lived in or something. You are saying maybe transportation was the problem, or something like that?

Mr. VOLLAND. Well, I think transportation was a factor in the decision of the people who were eligible for the assistance that we were able to provide, not to avail themselves of the opportunity to move to the area where these properties were located.

Ms. BROWN. If for no other reason than the future, I think we just need a little bit more clarity on that.

Mr. VOLLAND. Yes, ma'am. I will be happy to provide that.  
(See p. 82.)

Ms. BROWN. One question for Ms. MacDonald. You said yesterday the Florida House passed the two cent tax for the Miami—

Ms. MACDONALD. The House passed a 2 percent—it is an expanded meal and beverage tax that they have had on Miami Beach, and now it is going to be extended to all food and beverage establishments, with gross incomes over I think \$400,000. One percent of it is for homeless programs, and the other 1 percent is for culture and tourism. Although, in the first year, the full 2 percent is given to the homeless. It still has to pass in the Senate.

Ms. BROWN. Is this just for the Dade area, or is this just for—

Ms. MACDONALD. This is just for Dade County.

Ms. BROWN. Just one comment—one quick comment. If the President's stimulus package passes, there are additional monies in there for this area, I think about \$15 million, and some rebuilding, and some community development block grant money?

Ms. MACDONALD. Well, it is for our local governments, to see to it that CDBG funds are used to fund homeless programs, which they have not done in the past.

Ms. BROWN. Well, that is certainly something that we, as a community effort, you need to start working on it now. If we pass it, it will be coming down in the next 60 days.

Ms. MACDONALD. Well, we have been working on it for a long time.

Ms. BROWN. Okay.

Mr. SANGMEISTER. There is a question submitted on a card. The question is for Ms. MacDonald, Monsignor Walsh, and Mr. Swenson. What is the best way to deal with health care problems of families, migrant workers and their families and the South Dade homeless populations? It is my understanding that Homestead Air Force Base cannot supply medical care, and Homestead Hospital is currently overrun with non-insured clients. Where will the health care of South Dade take place to handle the huge number of clients during our hot summer months when disease can be rampant through insects? Explain what you need to do the job best.

Monsignor WALSH. Money. The fact of the matter is that, with the number of uninsured people, and all of the rest of it when you have a disaster, all of those kind of problems, which have existed for many years in South Dade, are aggravated and made more serious. There is no simple solution. Hopefully, the President's plans for dealing with the health care problem—the State of Florida is also considering some things that would give some relief to an area like South Dade. I agree with the questioner. The problems are enormous. I do not have a simple solution.

Mr. SWENSON. On behalf of the Red Cross, I would agree with the Monsignor, that there is no simple solution. I would ask the question of clarification, however. Are these people who are made homeless by the storm? Are these medical needs related directly as a result of Hurricane Andrew? If, indeed, they are, then it would be the responsibility of disaster relief organizations, like the Red Cross, to address those needs. If these are not storm-related medi-

cal needs, suffered by people who are not made homeless by the storm, or were not residents of Dade County at the time of the storm within the disaster declared area, that would be the responsibility of social service agencies or Government agencies which handle those situations, whether there is a storm or not.

Again, I would ask for that point of clarification. If, indeed, there is an instance that the Congresswoman knows of, I would hope that she would bring that to the attention of the appropriate organization. If it is appropriate to bring it to the Red Cross, we take very seriously our responsibilities. Thank you.

Mr. SANGMEISTER. I think the question ran beyond just victims of the storm.

Ms. MACDONALD. I just wanted to comment on that as well. Having grown up in Canada, I find that such a shocking question. In Canada everybody has equal access to health care, whether they are homeless or millionaires. Camillas House has been working in South Dade, with regard to not only the homeless population, but the low-income population. This is a really good community model of health care clinic. Their efforts need to be supported. I do not know what their funding situation is. That really is going to have to be supported if you are having those kind of problems.

Mr. SANGMEISTER. Well, I am going to bring this to a conclusion for this panel. I must say that I feel the frustration that has come forth from this panel, in particular, of what is happening in the community. Apparently, since the hurricane, whether it be for veterans or others, there has been no real great program coming out where you would think it would be coming from. We know about the task force that is being organized. Hopefully, they will recognize those problems. Mr. Volland will be on that.

A program has got to be put together because, as I see it right now, we are just trying to maintain the status quo. We understand that.

From the veterans' standpoint, we are going to see what we can do to help you.

Thank you all very much for coming.

Mr. VOLLAND. Thank you, Mr. Chairman.

Mr. SANGMEISTER. We will now hear from panel three, the private sector here. Mr. Irvin Berman, President of Meadow Wood Manor, Inc; Mr. William M. Ross, President-Elect of the Barnett Bank of Southwest Florida; and Mr. James McCaughan, Jr., Chairman of the Industry Relations Committee of the McCaughan Mortgage Company.

Gentlemen, welcome. I appreciate your appearance here this morning, and your patience. We certainly want to hear from your sector.

Would those in the rear of the room please take their conversations outside so that we could proceed?

Mr. Berman, we will start with you. Your prepared testimony will be made a part of the record. If you would just summarize that, we would appreciate it.



STATEMENTS OF IRVIN BERMAN, PRESIDENT, MEADOW WOOD MANOR, INC.; WILLIAM M. (MICKEY) ROSS, PRESIDENT-ELECT, MORTGAGE BANKERS ASSOCIATION OF FLORIDA accompanied by JAMES W. MCCAUGHAN, JR.

#### STATEMENT OF IRVIN BERMAN

Mr. BERMAN. Thank you, Mr. Chairman and members of the committee. I am a developer and builder of primarily single-family homes, having done most of that building in this area of Homestead and, in particular, in the vicinity of the Homestead Air Force Base for the past 19 or 20 years.

A considerable amount of the business that I have done has been with veterans, many of whom have been retired military people living near the vicinity of the Homestead Air Force Base.

Since Hurricane Andrew, I have become increasingly concerned that some of the traditional methods that have been employed by the Department of Veterans Affairs in appraising property for mortgage evaluation purposes, may become inadequate, in light of the increasing costs that are occurring. We have incredible cost increases in housing, most of which is being incurred as a result of building code changes, and other administrative events that are taking place within the county, itself, in addition to labor shortages and price gouging by many national suppliers of material.

I estimate that with the current and proposed cost changes that are being implemented by Dade County that, by the end of this year, construction costs for single family homes in the moderate price range, will probably increase by approximately 50 percent from what they had been just prior to Hurricane Andrew.

Traditionally, VA has used evaluation methods which are based on comparable sales, which means that, in order to appraise new homes, they use averages of old homes' sales. This is no longer going to work because that method fails to take into consideration all of the cost increases. It is going to be absolutely necessary, in order to provide new homes for veterans in this area, using the Veterans' Home Loan Program, that the appraisal methods be amended to account for current and proposed Government changes in building codes.

These changes are going to be very substantial in this area. That is basically what my concern is. I believe that unless this is done and unless this committee and the VA can implement some way of accomplishing this, I am afraid that it is going to be very difficult for veterans in the future, in this area, to purchase homes utilizing the Veterans' Home Loan Program.

Thank you.

Mr. SANGMEISTER. Okay. Mr. Ross, Barnett Bank.

#### STATEMENT OF WILLIAM M. ROSS

Mr. ROSS. Thank you, Mr. Chairman.

Let me point out one item. I am President-Elect of the Mortgage Bankers Association of the State of Florida, which is a trade organization. Mr. McCaughan is the Industry Relations Chairman. I am employed by Barnett Bank as Executive Vice President. I respond-



ed under the MBA of Florida, representing all of our membership in the State of Florida, which is a trade organization.

Hurricane Andrew caused an extreme disruption to the entire mortgage lending process. The Hurricane caused delays in all parts of what we do to put an application together to create a mortgage loan, including appraisals, files lost from lenders who had their offices destroyed, getting title work, and so on. This applied not just to the VA applications, but to all applications.

During the 60-day period following the hurricane, the process had to be totally rebuilt. Unfortunately, this caused many delays in the handling of loans. It caused frustration levels to go up. The VA did, as Mr. Rainwater said, establish a short period of which they wanted to inspect all properties. The lenders felt that this was totally appropriate, so that we could adequately evaluate what type of collateral we would have for the loan.

Due to all of these delays, we had many—the veterans and others, interest rate lock-in agreements expire, causing their interest rates to float to market. This caused some frustration. Fortunately, during this time, the interest rate market was not moving dramatically, and so the loans that were able to close, closed with interest rates that were reasonably close to what they had applied for.

The originating lenders in South Florida that are in our trade organization, did not really experience any difficulties in handling VA loans that were not experienced in all types of loans, due to the lack of the services and the total disruption of the process.

In servicing existing mortgages, and collecting payments, and particularly the insurance claims, we did experience difficulties also. The lenders, in this area, typically will handle five to 10 major claims per month in handling for the rebuilding of a house due to some type of calamity. All of a sudden their departments were thrown into handling literally four to 500 a month. Lack of staffing, lack of procedures for handling those types of volumes, definitely caused delays in getting the claims checks ready for the veterans.

Now, under the mortgage and the insurance policies, the claim checks that do come in for damaged property have the lenders name on the check. Typically, most lenders will have a threshold at which any checks in excess of a certain amount, \$2,000-\$3,000 dollars, they will hold the money for the repairs to be done to the property. The vast amount of claims checks did throw the entire process behind. It took—most of our lenders, within 90 days of the hurricane, had established procedures to get it back in place.

The problem was exacerbated by the fact that many of the local lenders—their own employees were wrapped up in the hurricane. I can tell you, from Barnett Bank's standpoint, we lost nine branches, and had 120 of our own employees down here that were homeless, and had to deal with that, along with many others who had had severe damage to their homes.

Since the hurricane, we have not seen any major, or I should say massive default rates of VA mortgages; but we have many—anyone who asks can get a forbearance program, and those typically run for 6 months, which is about—we are coming upon the time when

most forbearance programs are expiring. Forbearance programs can be extended, usually on a case-by-case basis.

I think what was said earlier by Mr. Bishop, as far as discussing the \$10,000 of a loan for a veteran, is a very good short-term solution. The only long-term solution to this is to reestablish the economic base in Homestead. Without that, this loan will simply defer the inevitable, and that is the veteran's inability to repay it, and in the property's inability to support that additional loan. Most veterans' loans are high-ratio loans to the value of the property—many as much as a hundred percent already. Adding another \$10,000 to it, when the veteran goes to sell the house, he will be in an upside down position, as we say, as far as trying to get equity out of the house.

So, our major concern, as far as the guarantee fund ongoing, is to reestablish the economic base in Homestead, FL, to support property values as was mentioned earlier, and the employment base, and jobs.

Thank you.

[The prepared statement of Mr. Ross appears on p. 97.]

Mr. SANGMEISTER. Okay. Thank you.

Mr. McCaughan.

#### STATEMENT OF JAMES W. MCCAUGHAN

Mr. MCCAUGHAN. Good morning. For the record, I am Jim McCaughan. I am Vice President of McCaughan Mortgage Company. I am Industry Liaison, and Committee Chairperson of the MBA of Florida.

I would like to speak this morning, Mr. Chairman, to the economic basis for this area. Homestead Air Force Base, as we all know, was an important part of the economy of South Florida, particularly of South Dade. Today, it still stands undecided as to its future. To reestablish the hurricane-stricken area, the local economy must be reestablished.

In October, the Congress allocated \$76 million for the restoration of the base. I will not sit here and determine today whether that base should be activated or not. I would encourage immediately the portion of the \$76 million to bring the field to an operational status be released and not continue to be held 4 months later. To have a unique facility like that Air Force Base sit dormant serves no purpose. The decision today by the preliminary Committee for Base Closures to open or close that facility would probably be best served, on an economic basis, to maintain an air operation. To sit without lights, without an operational capacity, again, serves no purpose.

Moving on, what I would encourage is, if the decision is to close the base, that this decision be made quickly and the military pack their bags and move along. I have heard reports of 5 to 7 years for closure. I would encourage this to be fast-tracked to an immediate closure, and then the state or the Metro Dade Port Authority, or whatever facility will ultimately determine the use, can move in and get at least this part of the economic basis of Homestead reestablished to whatever level they can facilitate.

How does this affect this committee? The fiscal impact on the VA Home Loan Program will be dramatically affected by the economy of the local area. We have sat here for 6 months with forbearance. It was brought up to the attention of the committee a moment ago the appraised value of new construction. I would suggest to you, without an economic basis, we cannot appraise the existing structures for a long term value.

To put this in complication with the VA no-bid process, wherein the lender stands to lose tens of thousands of dollars for every foreclosure, we are somewhat in a unique area of wanting to lend—wanting to get going; but, without a local economy, as Monsignor Walsh mentioned a moment ago, will this be a poverty-stricken area, and, therefore, little or no value for whatever properties we do loan on.

I would encourage this committee and Congress, in the study of base closure, to accelerate that process in this unique hurricane-stricken area. If it is to be a base, that is fine. Forty million a month is the suggested input to the local economy, as a fully functional Air Force Base. In 4 months, \$160 million has been wasted. On a long-term basis, we are ready to lend, but we have to have a basis to lend.

The VA Loan Program administered by Mr. Wayne Rogers' people in St. Pete are standing ready, willing and able; but, once again, we have to have a basis to perform this function. That is the lending process. Again, Mr. Ross mentioned the default and foreclosure process stands at a crossroads.

The \$10,000 would be very well welcomed if there is some light at the end of the tunnel; but, to put a band-aid on an open wound might not be the best solution, unless the first part of that cog is put in place, and that is the local economy. I thank you.

[The prepared statement of Mr. McCaughan, Jr. appears on p. 97.]

Mr. SANGMEISTER. I thank all of you. Of course, your comments are well-taken and your remarks are very apropos. What we are talking about here, of course, is the homeless veteran. Obviously the Air Force Base is a big factor. I know we are all awaiting today, as I am in my district back in Illinois, the listing of which bases will close and which will not. These are, in some respects, very frustrating times. Because we see here today the very need, in particular, this community, the rebuilding that is going to have to be done. Yet, I am sure that even the Congresswoman from this district and others are hearing the same thing that I am hearing back in the district. All we are hearing is cut programs, cut programs. Whatever you have to do just cut, cut, cut. That is the mood of the country. They asked for changes, and now we are going to get it. How it is going to weave its way through the various communities, and your local concerns here are certainly genuine.

What is going to happen to the Air Force Base, we may know even later today, or I guess the latest Monday, but it certainly will have an effect on your economy, as it will on any of the other bases that are closing, in my state or elsewhere.

Mr. Berman, in your experience then, there are a lot of opportunists out here when there is a tragedy in a community. Those that have certain supplies or materials that are needed for rebuild-



ing apparently take advantage by hiking the price up. Is that what you, as a builder—

Mr. BERMAN. I find that, as a builder, the price increases are probably caused by the major national suppliers of lumber. Lumber has gone up since October over 40 percent. That is not a local problem, that is a national problem.

There, of course, has been a shortage in labor, and that is because of all of the rebuilding.

The biggest cost increases that we are going to be facing is the result of a revised building code that is a reaction to what happened as—

Mr. SANGMEISTER. What is the story on that? I remember reading right after the hurricane that those in charge of zoning and building codes wanted to upgrade them so that buildings would be stronger, and be able to withstand hurricane force. Has that in fact happened? Have the codes been amended, or are they just talking about it?

Mr. BERMAN. No. They are in the process of doing it. There have been some amendments made, some of the proposed—some of the changes are proposed, and they are expected to go into effect gradually throughout this year, but have them all in effect by January 1st. These increases are going to have the major impact on the increased cost of new homes to be built in Dade County. It is because they are going to require shutters to be placed on every opening, heavier roof trusses, heavier windows, more bracing, just about everything that they felt was deficient in the old code. They are just going to upgrade to hopefully withstand a hurricane, not of the force that we had, but to meet the national wind standard of 116 miles an hour which, in some cases, is half of the force that we had. What we had just was not sufficient.

Mr. SANGMEISTER. This is going to increase the cost of the homes here now?

Mr. BERMAN. Well, right now, the moderate-priced homes in this area were—before the storm were being built for approximately \$25 per square foot. That is the actual construction cost. I estimate that will go up to about \$37 a square foot by the beginning of the year, with all of the changes in place.

Mr. SANGMEISTER. You indicated the appraisals by the VA were not realistic.

Mr. BERMAN. Traditionally they are based on comparable sales, which means sales that have been made and closed in the past. If there is a continued demand for it by veterans—and I think whether the base is opened or closed, there will still be a demand for housing under the Veterans' Loan Program. We have a lot of veterans in this area who are not connected with the Homestead Air Force Base that want to buy homes and utilize the VA Home Loan Program. The sales prices are going to have to increase sharply to reflect all of these price increases. The appraisals are going to have to reflect current costs, rather than be based on prior sales. There are ways that the VA can handle this. They have been reluctant to do this in the past; but I believe that these changes are here to stay. If we are to provide housing for veterans, some of these changes—the changes in their appraisal methods are going to have to be made.



Mr. SANGMEISTER. Okay. Getting over to the mortgage side, Mr. Ross.

Mr. Ross. I agree with Mr. Berman. It is a problem. It is a problem as far as VA appraisals. It is an appraisal problem with conventional loans, not only at VA, FHA, but also Freddie Mac, and Fannie Mae.

Mr. SANGMEISTER. It is affecting all of them?

Mr. Ross. Yes, it is. It is a condition—it is a catch-22. If you do not use the cost to build, and you use the comparable approach, like Mr. Berman says, which most appraisers will use both, and come up with a figure somewhere that is there educated estimate of value based on cost to build and comparable sales. Of course in an area that you have got, like Homestead, there are not that many comparable sales because of the devastation that has taken place. It is a catch-22 in that, if you reduce the values due to current sales, then you are not able to lend as much as a lender, therefore, you cannot improve the property, therefore, the values go down further. So, it is a cycle that you get in. This is something that I know that the Federal Home Loan Mortgage Corporation, Freddie Mac, and the Federal National Mortgage Corporation, Fannie Mae, have been meeting to set standards and to look at the ways that they can use appraisals and adjust the process that are different than the current methods, through either using comparable sales that are prior to the hurricane, which is not a good standard method of appraisal practice, because most good appraisals, they want you to use comparables that are less than 3 months old—I mean, comparable sales. So, there has to be some type of deviation, or we will get caught in a catch-22 of a downward spiral of values, therefore, a downward spiral of loans, therefore, more value decreases. So, it is definitely a problem.

Mr. McCAUGHAN. Keep in mind that your committee took testimony, I think it was last week, from the MBA of America on the no-bid process. You want to increase the lenders' participation in that process. A VA mortgage is typically a hundred percent financing. We are looking to make a loan with no equity. We are looking to make a loan with an unstated market value because we want to look at the cost to build.

In the unique case of the VA program, you pass that risk pretty much exclusively back to the lender with the no-bid. That is where the additional complication comes in this process with a VA-administered loan, with a guaranty program. So, you have to address the no-bid problem.

Mr. BISHOP. It is not passed directly to the lender per se, because you have got the guaranty.

Mr. McCAUGHAN. We have the guaranty, but the average loss—now mind you, you have a guaranty to replace the equity that you would have on a traditional conventional loan.

Mr. BISHOP. That would make the lender, if not completely whole, to the consistent of the guarantee, it would make them whole, wouldn't it?

Mr. McCAUGHAN. I do not have the facts with me today. The MBA of America can pass along to you the average loss per foreclosure on a no-bid. I believe it would be in the range of \$10,000 to \$20,000 in an area where you have an established market.

Mr. BISHOP. So, it would be worse in an area like this.

Mr. ROSS. It really depends on the market value in the area. If you have got market values declining, then it does pass more risk to the lender. This is something that the appraisal industry is looking at and, like I say, the other lenders are. It is very important.

Mr. BISHOP. Is there any kind of, Mr. Chairman, if I may?

Mr. SANGMEISTER. Go ahead.

Mr. BISHOP. Is there anything that the program itself could do with regard to the appraisals, or a waiver, or a premium, or any kind of extra that could be put in place to deal with a Homestead-type situation, or a disaster-type situation that would not disrupt the total market? Anybody who feels so disposed.

Mr. BERMAN. The only thing that could be done to continue providing housing would be for the VA to recognize current costs in their appraisals. They would just—otherwise, the veterans would have to, if they—the veterans' program then would not work. They would not be able to have a hundred percent loans as they have now. Appraisals just would not come up to meet the sales prices, because cost increases are just—actually most of the new cost increases are going to be mandated by changes in building codes. There is just nothing that we can do about them.

Mr. BISHOP. There has got to be an answer.

Mr. ROSS. I think that between the agencies, both private and public, there is an answer that everybody could agree on. I am not sure what it is, but it is a shared risk arrangement, because, as Mr. McCaughan was saying, the lender does stand to lose, because the VA does limit the amount of guarantee that they will pay out. In VA no-bid situations, as opposed to in an FHA process, where they simply take the entire property so it is all guaranteed, the VA can elect simply to pay the claim. If the property is worth less than what the loan amount reduced by the claim is, then the lender is going to have to bear the difference.

Definitely, when you are lending in high loan to value ratio loans like VA loans, the property value is extremely important. I am not sure if it will take a meeting or a committee or something like that that could look at it. Because I know there is a lot of input that is going on around the country from the appraisers and their trade organizations as to how to deal with this type of a problem. It is one that you try to establish a market value when there is literally almost no market, and you are trying to build a market. It is a unique problem that probably all should have input and share in the solution.

Ms. BROWN. I have one question for Mr. Berman. One area that we didn't get good reports on was in the area of contractual agreements, where people would pay the contractors and they did not complete the work. This was very widespread.

Mr. BERMAN. What you are referring to had to do with the rebuilding of damaged homes.

Ms. BROWN. Yes, sir.

Mr. BERMAN. My comments were really related to the construction of new homes. There was a certain amount of fraudulent activities—some fraud that took place. I think that takes place in any disaster unfortunately.

Ms. BROWN. How can we better prepare ourselves to prevent this? That is I guess what I am asking you.

Mr. BERMAN. I do not know that you can. There is such an immediate need for repairs, and there are so few people. People are so desperate. The local government just does not have the ability to immediately regulate everybody that comes in and offers their labor. Too often people are faced with having to do business with charlatans. There are always some. I do not know that there were that many. I have no idea what the statistics were.

Ms. BROWN. Thank you. The reports were not good. I do think that is one area we need to prepare for, because, like you are certified now, and you go into this other area, maybe we could issue some kind of certificate or application or something, so that the people would have some recourse.

Mr. BERMAN. We do have licenses. The State of Florida has very stringent licensing requirements. All work is supposed to be done by licensed contractors. Some people, as I have said, have passed themselves off as licensed contractors. As a matter of fact, the county was issuing temporary licenses to out-of-state contractors just for the purpose of trying to get some relief to people who were in the stricken area. This did not always work. There was just too much of a demand, I imagine, for the local government to control what was happening. All work has to be done by licensed contractors.

Ms. BROWN. Okay.

Mr. SANGMEISTER. To the lenders. Just a general question. George Sangmeister, the veteran, comes in to see you for a loan. He qualifies maybe for a conventional FHA or VA. What is your present attitude, under the present law, as to where you would like to steer that veteran? Are you going to encourage him to get a VA loan?

Mr. ROSS. If he comes in and asks for a VA loan, definitely we will provide him with a VA loan. Most lenders will have a menu of products from which they can select. veterans' programs are very good, particularly if they do not have the ability to make a down payment, or they do not wish to make a down payment. As a matter of fact, I think of the conventionals, and the FHA, and the VA, it is the best program. So, if an individual comes in and asks for a veterans' loan, and they qualify to get one, with their eligibility and so forth, the lenders who provide VA loans, and there are I would say probably 30 to 40 percent of the mortgage lenders throughout the state do provide VA loans, we will definitely take it as that.

Mr. SANGMEISTER. Okay.

Mr. McCAUGHAN. If you put all three loans side-by-side, the unique aspect of the VA mortgage is that, down the road, that mortgage is assumable at its rate. With that in mind, it brings added value particularly in fixed rate, low rate markets. So, if you are a prudent financial planner, you would say today certainly the VA loan is one of the most attractive styles of financing, even if you have the capability of going conventionally.

It is a very functional program in the State of Florida. You have delegated much of the responsibility to the lenders to process those applications. In my area, those applications would typically be



processed from application to closing in 5 or 6 weeks. It is very competitive.

Mr. ROSS. One last thing is, with the recent changes in having the VA ARM, and allowing the veteran to pay the points, and not having to negotiate with the seller puts the VA in parity with all of the other programs in the market. So, I think it is going to become even more attractive.

Mr. SANGMEISTER. One of the things the Administration is proposing is to increase the 1.25 loan guaranty fee to an even 2 percent? Would that materially affect veterans?

Mr. ROSS. Well, I do not think that the one and a half percent is a problem. Excuse me, one-and-a-quarter percent. Now that they allow that the veteran can share in the discount expense, as far as not having to add everything to the seller, that adds more room for a negotiable—for it to be negotiable in the transaction. I am not going to say that adding 1 percent to it is going to kill the program. If you add—require a 10 percent down payment, that is going to hurt it real bad, because that hundred availability is very attractive to a veteran.

Mr. SANGMEISTER. We were talking about doing that for a second time.

Mr. ROSS. That would hurt the program.

Mr. SANGMEISTER. That would hurt the program?

Mr. ROSS. Yes, sir. I think it would.

Mr. McCAUGHAN. What you are speaking to is adverse selection. Your buyer who has the election to put 20 percent down and have no PMI cost, no VA funding fee cost, I would suggest is your more capable buyer, and less likely to default. That is where the real cost—it is not the income side, it is a cost side, the expense side, the foreclosure side. Now, if in fact you say that 25 percent of your veteran pool of business would opt out of the program, and that 25 percent would amount to a disproportionately small number of foreclosure and loss, have you hurt the program or have you helped the program? If you did that study, especially what you would be left with is the buyer of no other choice. Therefore, you have hurt the program.

Mr. SANGMEISTER. Mr. Berman.

Mr. BERMAN. With respect to the 10 percent downpayment for second time users, this would create a tremendous burden on active military people who are transferred from base to base, and have to buy a home at the new base. This would be an enormous burden to those people.

Mr. SANGMEISTER. Okay. On the proposed legislation for the \$10,000 loan, as I understand that, that is acceptable, except if you are in an area where the veteran is going down because of the unemployment and other problems in the area, why it is only postponing the inevitable. Is that what you are saying?

Mr. ROSS. I think it has to be addressed on a case-by-case basis. For the veterans who are about to come off the forbearance programs, who now have 6 months worth of past-due payments that they have to reconcile, how are they going to pay that going forward? A \$10,000 loan would be a tremendous benefit to them, again, on the short-term. On the long-term, how good that loan is will depend on what we do to the economic base here.



Mr. SANGMEISTER. Okay. If there is nothing else from my colleagues, we thank you very much, gentlemen, for being here today.

The last panel is Mr. Ralph Hall, Past National Commander of the AMVETS; Mr. Albert H. Linden, State Adjutant Treasurer for the Disabled American Veterans, and the two people accompanying him are John Engwiller, and Albert Schehouffer. Mr. George H. Snyder, President of the Florida Chapter of the Paralyzed Veterans of America; and Mr. Charles Moreland, the Florida State Commander of the American Legion.

Mr. DE ARMAS. Hello. My name is Pedro De Armas, I am the Vice President of the PVA, Paralyzed Veterans Association of Florida. My name is not here. I just came.

Mr. SANGMEISTER. Okay. We have got everybody straight?

All right, gentlemen. I really appreciate your patience. Although, I think some of the things we have been able to hear may have been beneficial to yourselves from the prior panels. We will start out with Mr. Hall of the AMVETS.

**STATEMENTS OF RALPH HALL, PAST NATIONAL COMMANDER, AMVETS; ALBERT H. LINDEN, STATE ADJUTANT TREASURER, DISABLED AMERICAN VETERANS accompanied by JOHN ENG-WILLER, AND ALBERT SCHEHOUFFER; GEORGE H. SNYDER, PRESIDENT, FLORIDA CHAPTER, PARALYZED VETERANS OF AMERICA accompanied by PEDRO DE ARMAS; CHARLES MORELAND, FLORIDA STATE COMMANDER, THE AMERICAN LEGION; AND ROBERT J. JENSEN, SOUTH DADE CHAPTER, RETIRED OFFICERS' ASSOCIATION**

#### **STATEMENT OF RALPH HALL**

Mr. HALL. Thank you, Mr. Chairman. We appreciate having an opportunity for AMVETS to testify here today. I presently reside at Summerland Key, 25 miles above Key West in Florida, and I travel throughout the Homestead, Naranja, Everglades area once a week. I visited this devastated area 1 week after the actual hurricane hit here on August 24th. I would like to thank you for your work on behalf of veterans, Mr. Chairman, and congratulate you also on assuming the Chair of this subcommittee.

At a time when homelessness is on the front page of every newspaper, you have got a very very challenging area of jurisdiction. First, I would like to acknowledge the overall response of Director Rainwater and the VA to the disaster here in Southern Florida. The VA sent extra staff to assist not only the Home Loan Program, guaranty program, but also to keep the badly needed medical facilities running at full capacity. VA employees not only performed their specific duties to help veterans, but they also volunteered extra hours doing the relief work in a manner that is a credit to each as a human being. Having traveled through the area religiously since the hurricane, I have had an opportunity to see them actually doing these chores.

AMVETS has reviewed the statistics on VA performance during the relief effort, and we can find no glaring fault. According to the VA, they assisted over 3,500 veterans and their dependents, issued 243 certificates of eligibility, in addition to helping with the medi-

cal compensation and pension, education, and other benefits, running the entire gamut of their programs.

The AMVETS are especially pleased with the VA's decision to make 128 VA properties available as temporary shelters for the homeless. Without the VA, hundreds of people would have remained homeless for a long period of time. We are also very pleased that the VA issued a 90-day moratorium on foreclosures and acted as an intermediary with commercial lenders. It is also highly likely that VA advice to veteran homeowners, regarding property settlements and repairs, saved many of these—many of them from those unscrupulous people who take advantage of other people's miseries at such times.

We hope this committee will look at every means possible to encourage the VA to exercise great restraint in foreclosing properties here in Southern Florida.

AMVETS has a national resolution that calls for the VA to exhaust every means, including waiver of debt, before allowing a veteran's home to be foreclosed. It is especially critical in disaster areas, where the destruction includes not only homes, but, as you have been hearing, businesses and associated jobs. The recent disaster shows just how close any of us are to the term homelessness. That precarious position should give each of us a sense of how the homeless veteran needs and deserves our assistance.

AMVETS' national resolution encourages the Administration and Congress to seek out new and innovative solutions to get homeless veterans back into the mainstream of society. It is important to remember that homelessness does not need a hurricane to create the needy, and that one-third of all homeless men today are veterans. This should cause every American to demand a major assault on this problem.

Mr. Chairman, let me close with a simple, but very very heartfelt thank you to the VA for taking care of not only the veterans of Southern Florida, but also all of the citizens who sought and received their help. I would especially commend to you one of your previous speakers today. The effort put forth by Mr. Tom Doherty, the outstanding Director of the VA Medical Center in Miami, for his tireless attention to the needs of the veteran patients at the facility during this crisis. They did an outstanding job there. Having been a patient at the hospital for radiation treatment, for a period of 2 months, I had an opportunity to really see the hospital in its total operation.

Let me close also by commenting about one of the unique things that I saw happen here as a result of my traveling back and forth through the territory immediately following the disaster. The representative of the Barnett Bank may or may not be here now, but I wanted to tell you—Tom Doherty talked about unique things that happened, that emergencies bring out the good in people, and he saw so many things happen at the hospital. People did things that they have never done before. I saw the Barnett Bank tow in to the disaster area in the middle of the Cuttler Ridge Shopping Center at Sears—tow in a cash dispensing bank room, about as big as what you are seated at there now—trailered it in every day, and took it out at night, so that people, without any kind of means to get to the banks to get their money, would be able to either walk there or

go with somebody else, draw money, if they had money in the bank, or, in some way, talk with people connected with the bank. I just thought it was a very unique thing. I credited the Barnett Bank for the uniqueness of this, and for the opportunity to, again, serve a devastated area and the veterans in a very very outstanding way.

Thank you, gentlemen.

[The prepared statement of Mr. Hall appears on p. 100.]

Mr. SANGMEISTER. Okay. Mr. Linden.

#### STATEMENT OF ALBERT H. LINDEN

Mr. LINDEN. Thank you very much, Mr. Chairman. It is indeed a privilege to be here today. I wish to commend you and the subcommittee for holding this hearing down here in Homestead concerning the homeless veterans, and the homeless veterans' housing programs.

Secondly, I would like to thank you for your kind remarks about our program. By the way, those were our three houses that the VA did use. We would have used more had the contract been available on day one, and had they not been about a hundred miles away. I have about three recommendations, several of which will require proposed legislation that you may wish to take under consideration in your subcommittee.

I would also like to thank Carlos Rainwater and his staff of Veterans' Benefit Officers. From day two on, we had a national service officer, and a field service unit onsite down here for approximately 8 weeks after the hurricane, at which time we helped over 420 families, and dispensed in excess of \$100,000 out of our own finances, to support families, in addition to the housing program that we had. We are still helping these families.

I would also like to thank Mr. Doherty for his support at the hospital and for his staff and their medical assistance during the program. All we had to do was pick up the phone and say we have got a veteran who needs help here, and they were available to help us. That was a great help.

Number one, you asked a question about why things were slow, because the agencies were not in place. Some of the houses had to be made habitable. That seemed to be a delay.

We had a little minor disaster over on the West Coast about 2 months after that, and that was a tornado in which a hundred families were put out of their homes. Within 6 days we had six veterans' families in six homes. So, if the contract is in place, and the houses are in the disaster area, or right outside the disaster area, we can respond immediately, as opposed to waiting 40 days to get it. So, it proves that the system will work if it is in place ahead of time. It worked very well I think.

The other question that we heard a lot of testimony about deals with homeless veterans and what are their problems. Number one is—and you heard that 70 percent of the homeless veterans have an abuse problem—substance abuse of one sort or another. One of my recommendations deals with solving this problem. It is probably something that it is going to cost you several million dollars, but it may be worth a pilot test to do. That is, you have got an



abuse problem, you have got an employment problem, and you have got 27 veteran families who are hearing testimony sitting out here today in either the tent city or the unauthorized tent city next to it. Take those 27 families, have FEMA pump in 27 more homes, bring down one of the mobile VA outpatient clinics, set up some kind of a job training program right there on the site, and put those 27 families to work rebuilding the community here. Just a thought. That is something you could do as a pilot, not costing a whole lot of money. You could see if it would work, and you could spread it out, not only to the veteran community, but to the other communities. That is just one recommendation that you ought to consider doing. You probably could do that within the existing resources that both the VA, FEMA, and the others already have, as well as the community. Just a thought.

The second recommendation that we have—and this is going to probably require a law change—would be to allow the VA to retain a portion of the single family dwellings in the disaster area to use in their program during a disaster. In other words, right now they have to turn all of those homes, the single family dwellings over to FEMA who then, in turn, runs their program. We will save some of those back, because FEMA is busy doing other things. I spent about a week down here in the disaster, during about week one and a half, through week two and a half, actually working with FEMA, working with the VA on a day to day basis. I could tell you that they have got plenty of things to do, and it worked real well, once we got it established at the disaster assistance centers where, if a veteran came in to that center, they went through with the grant process, or whatever he needed. He was then shipped right over to the VA, who was right in the same tent. The VA then shipped him on down to the DAV, if he needed financial assistance or housing after the VA got done. That was a good model and it worked very well. I am not just saying the DAV, but other veterans' service offices were also available there. The VFW was available, and others were available to help. So, it was where he could get initial help in the loan process. The only problem we had was getting the word out initially. That is always a problem. Once we got the model in place, it seemed to work very well in that regard.

Mr. SANGMEISTER. Right now the VA has to turn those over to FEMA?

Mr. LINDEN. That is the law.

Mr. SANGMEISTER. Tell me about the rules and regulations, if you know the difference. One amounts to the other, I guess.

Mr. LINDEN. I would defer to whatever you all say on that. It was my understanding that it was part of the law and it may have to be changed. If it is a rule or regulation that can be changed, as you all know, it is much easier to do that.

That would be our recommendation—just to save a portion of them back for use in a program like this, because then that allows more people to become involved and to help more people during that period of time.

The second thing that I would ask—and this deals more with the total homeless problem—as I understand it, the VA has like a 38 or \$40 million project now to help homeless. My understanding, and I may be incorrect on this, but, if a veteran service officer, a



homeless association, or a homeless program wants to procure a foreclosed VA home, they have to pay—the VA will pay 50 percent of the value and sell it to you, okay, basically? All right. Well, that gets a little steep for some organizations to do. Why not have a program similar to the one during the disaster area, where, during this period of time, the VA is already—it is my understanding—already paid off the lender on the foreclosed home, so they are just—it is sitting out there with that stock anyhow. Why not share the cost of fixing it up to make it habitable for a family, and then, somehow a shared arrangement between say a homeless organization or a veterans' service organization and allow that? Not a big cost to the Government, and not a big cost together; but, if you have to plunk down \$40,000 or \$50,000 out of one of these charitable organizations to get into a home of that size, that is as steep thing. If I only have to pay \$3,000 or \$4,000 to bring it up to code to move a family in and they share that cost with me, it is sure a lot easier to do. Okay. Just something to think about.

Mr. SANGMEISTER. The staff just sent me a memo here that says that the VA has authority to lease, or even donate certain properties. That was done last year.

Mr. LINDEN. Okay. Yes. In Florida, my understanding is that they have got five pilot projects, and one is in Jacksonville, and one is in Miami and one is somewhere else. There is not one, for example, in Gainesville. I would think, particularly here in Homestead, would be an outstanding place to go and do that. That is my other recommendation.

The third one, which I mentioned to you earlier, is to try some kind of a pilot, where you are treating the person for his abuse, at the same time, in the same area, the same complex, if you will. You are giving him OJT, or voc rehab, or some kind of on-the-job training there, and moving him on. The DAV, in our last magazine, noted programs that we have highlighted, in New York, and other places, where—not—just because of a disaster, but just because of the homeless problem, we provide assistance. If you just bring the people in and give them a home, it is not cutting it. You have to train them and put them out in the community. What a better place here. We all know there is a labor situation here that could be improved. What a better way—a better way of doing it than right here in Homestead.

With that—I have here with me, John Engwiller, who actually ran our housing program here in the area. If he has any comments, I would be glad to turn it over.

Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Linden appears on p. 103.]

Mr. SANGMEISTER. John, do you have something you would like to say?

#### STATEMENT OF JOHN ENGWILLER

Mr. ENGWILLER. Yes, Mr. Chairman. Thank you for coming down here. The only thing I want to emphasize on what Mr. Linden said—our main problem was getting the contract approved to be able to take over these houses. Once the contract was approved, we moved the three families in within about 2 to 3 weeks after that.

As I told you earlier, most of the people, laborers, painters, carpenters were down here working, or trying to get down here to work. Boca Raton was the closest area that we could find a house for them. If there had been more available in the Hollywood area, or North Miami area, we probably would have been able to move a lot more families. At the time, that was appreciated, and we did move three families in, and they are quite happy with the houses. In fact, in my last conversation with them, two of them are looking to buy property through the VA system now.

One problem that was mentioned earlier. Being with the Disabled American Veterans—if our person is severely disabled, they are not working, so we could move them to the Boca Raton area. With the many veterans out here that had any type of employment, you are talking from Boca Raton to here, a three-hour drive. It is an hour, hour and a half normally now. During the bad part of that, right after the storm, it was 3 hours to get here.

The only other concern that I have at this time is—we are talking with a lot of veterans in the area—is, of course, the Homestead Air Force Base—what they are going to do with it. If it is closed, the clinic—the retired veterans, or military personnel, they have families, so they need some type of medical care for their family, not just for the veteran. If there is not the care here, they are going to move further north. A lot of the employment, for instance, with the disabled American veteran—if his wife worked at the Homestead Air Force Base, that was an income. Should that be closed, he has no income. He has no medical facilities in this area. So, he is going to have to either relocate or drift further north to where there are facilities.

As we have spoken before, and I think Mr. Doherty mentioned, right now prescriptions for this area are being flown into McDill. I believe it is a 2-day turn-around from what I understand—when we have Miami VA Hospital an hour and a half drive from here. So that is one thing that I think the veterans would like corrected.

Outside of that, that is all I have at this time. Thank you for taking the time.

Mr. SANGMEISTER. Mr. Snyder.

#### STATEMENT OF GEORGE H. SNYDER

Mr. SNYDER. Mr. Chairman, and member of the subcommittee, my name is George Snyder. I am President of the Florida Chapter of the Paralyzed Veterans of America. I am accompanied here by Pedro De Armas, who is our Vice President.

On behalf of PVF, I want to thank you for inviting us to testify today. I want to begin by conveying our gratitude to you for taking the time to come down here. I think it is very appropriate that you hold the meeting here in the middle of the devastation, so you all can see just what it is all about.

Mr. Chairman, I would like to discuss the action taken by PVA, in conjunction with the Director of the Medical—the Director of the Miami VA Hospital. Immediately after the storm, the Director of the Miami VA Hospital contacted PVA and other veterans' service organizations to indicate that there would be an immediate need for fresh drinking water. Hurricane Andrew had interrupted

the water supply in the Miami area. So, we, as an organization, donated 200 gallons of bottled water to the hospitals to be used by the patients and the staff. The hospital staff on duty remained on duty for the first several days of the crisis, including the spinal cord injury staff. We have a spinal cord unit at the Miami VA Hospital.

The auxiliary power was available, but could not be—could not provide sufficient power for air conditioning for several days. This created an additional critical situation for catastrophically injured patients at the hospital. The staff, in all cases, became very innovative and met with these critical situations by providing fans, and other ways of making the patients comfortable.

The director of the Miami VA Hospital sent an alert to the PVA, and he instructed his staff to provide temporary housing for the staff themselves, who had lost their homes to the storm. Some were housed at the hospital as necessary. Approximately 33 percent of the staff were directly affected.

Since PVA was aware that there would be an immediate need for cash to provide assistance to the storm victims, PVA assisted the Florida Chapter establishing a Hurricane Andrew Relief Fund. The National PVA Board of Directors, in addition to the Eastern PVA, contributed \$150,000 to be used to assist the PVA members and other disabled veterans in the Miami area. These funds were distributed throughout the local area by the Florida chapter, in conjunction with the national service department. We assisted 68 families with outright grants, a maximum of \$2,500 to individual families for temporary housing and other medical needs. The total amount of the funds distributed was \$104,000 dollars. We also created an emergency fund for the people that worked on the SCI award because they were not included in our guidelines of veterans and veterans' families. So, we did help some of the people on the staff of the spinal cord injury unit. Those are the people who take care of our guys, so we thought we needed to help them also.

Through the combined effort of PVA, and from the hospital-based care unit at the Miami VA Center, several SCI staff members used mobile vans with lifts to locate and assist home-bound disabled veterans with supplies, and necessary medications. Twenty-eight patients were assisted by the hospital home-based care unit, including transporting several patients back and forth to the medical center for care.

Mr. Chairman, we would like to commend Mr. Thomas Doherty for his leadership during this crisis. He and his dedicated staff met the needs of this veterans' community with every available resource.

We do feel that there are some shortcomings in the whole system as it stands. For example, many of our veterans who live in this area felt that it would be better for them to stay at home and weather the storm, rather than going to shelters, because many of the shelters that we have do not really accommodate disabled people who, for example, get dressed while sitting in bed. There is no privacy at the centers and some of the shelter areas, and many of our veterans, you know, like I say, felt that they were—had better accommodations at home. This is something that needs to be considered when hurricanes and other emergency situations arise,



because they do need the privacy, and it is not readily provided at some of the shelters.

Pedro is here. He went to many of the veterans' homes and provided medical supplies and things like that. Also, the Miami VA provided the vans and the gas, which was not available in many of the local stations. So, this is part of what needs to be done also, is to plan ahead for these disasters. Of course, you can only plan so much.

Pedro would you like to——

[The prepared statement of Mr. Snyder appears on p. 105.]

#### STATEMENT OF PEDRO DE ARMAS

Mr. DE ARMAS. Thank you, Mr. Chairman. The only thing that I want to address is that the VA—in my opinion, the VA Medical Center did a beautiful job, superb, combined with the service organizations.

We came down here for the—and we visited about 30 families that have spinal cord injury. They need supplies, the medications, sometimes medical attention. The VA provided nurses and transportation that was very important for our members.

In the future, like George said, we need the shelters to be more accessible for the handicapped, and more privacy, because we need—as a handicapped, in our situation, we need a little privacy to do our care in the morning, and get dressed. We cannot do it in tent cities. It is impossible for us to be in the middle of everybody doing our thing that is medically needed. So, if you look into that situation, we would thank you a lot.

Mr. SANGMEISTER. Okay.

Mr. SNYDER. We had several people say that—their homes were devastated, and they moved to other areas. We had one fellow that could not find any accessible housing, several people that were waiting in line to get HUD housing and things like this. Because of the demand now on the HUD and the other programs, there just—I mean, if there are a hundred HUD houses, maybe one or two of them are usable by people in wheelchairs. So, it made it even harder to find housing for those people. Some of them had to move out of the area because there were not any accessible houses available.

Mr. HALL. Mr. Chairman, in my short lifetime, I have spent 15 years with the Department of Labor in Washington, directing the Veterans' Employment Service Program. I have been into the field many times like this on testimony, and I have never seen a Federal agency come out smelling like roses when you go out into the public. This was no exception here. Immediately after the thing happened FEMA was getting crucified because they were not here. No matter how many political people—people from all walks of life came in here from all over the country, FEMA was still in trouble.

If I go home with no other decision in my mind today, from what I have heard from this testimony, it would be that I think that the Federal Government, the FEMA organization for which it is created, the Federal Emergency Management should be given some kind of latitude. I have heard every one of you today ask questions of the people with regard to the homes that were available that



were not used by FEMA. I think that is atrocious that those homes would sit there. Mr. Volland had to answer Congresswoman Brown's statement that she did not understand why those homes could not be used. All he could answer was that the regulations would not allow us to use those homes for somebody who had not previously occupied the homes.

Now, if the VA can waive—put a moratorium on foreclosures—if the VA can make homes available, if they can speed up the process of certificates of eligibility or anything else, it would seem to me as though one of the first things that should be investigated is under what circumstances would an organization like FEMA, a Federal agency, be allowed to exercise emergency rules and regulations to waive whatever would be required to allow them to use those homes? I cannot for the life of me believe that anybody could allow those homes to sit there and not be used under the circumstances. They are pouring in all kinds of money into this area here, but homes are sitting still and not being able to be used because of a Federal agency's regulations—rule against it.

Mr. SANGMEISTER. Maybe we ought to chew on Mr. Linden's suggestion that FEMA should work with the veterans' organizations. That is a thought we need to chew on.

Yes. Mr. Bishop.

Mr. BISHOP. I think that is an excellent idea—to give some flexibility with some emergency regulation and power. I may have missed what was—I thought I understood Mr. Roland to say that the reason the houses were not utilized was because, in many instances, the veterans did not want to go to other geographic areas.

Mr. HALL. That was part of it. One of the statements he made was that the regulations require that a person occupy the home for a certain amount of time prior to that. Distances and so forth are a big factor in all of this.

I can take you into my home near Key West now, and the town fathers in Key West are going crazy with the homeless who are drifting into the area because of the warm weather, the availability of kitchens at the churches, and stuff like that.

Mr. LINDEN. This is my personal observation, okay. I will make the distinction here. Having worked down here for a period of time during that situation, it got too centralized. In other words, there was not enough decentralization. FEMA, given the resources that they had, and given what they were trying to do, they tried to do too much. This is my personal judgment. Once the VA was there, working, and they started pushing the veterans over to the VA, and we worked with the VA, that was a good model to work by. That is why I would strongly urge you to consider, or change the rules, or whatever you have got to do. Instead of giving all that housing to FEMA, to give a portion of that, and let the VA have their own programs to run during that period of time, and I think that will help, especially in the disaster area. Because we had several families who came to us who were employed—like they delivered the mail. Some of them worked in jobs—emergency jobs. They were firemen, they were policemen that were veterans. They had to be here to work. We could not offer them a home a hundred miles away. If we had had one of those homes, we could have helped them get it rebuilt, or helped them to do something with it.

If it was just up, you know, 30 miles, 40 miles north of here, they could have had their own transportation, and got back and forth to work everyday and still carried on. So, we lost a number of them for the simple reason that it was a hundred miles away, as opposed to being say within 30 miles.

Mr. SANGMEISTER. Anything else? We will just generally try to wind it up on this note. We are appropriating funds, as we do every year, through the McKinney Act, for the homeless. Of course, this does not carry over for veterans homeless programs. Yet, testimony here today stated that one-third of all homeless people are veterans.

Is there, in your opinion, enough community-based organizations, or enough veterans' organizations that look for these grants and set up programs to tend to the homeless, particularly for veterans? What more can be done? Are our people not aware that these programs can be established? What is needed?

Mr. LINDEN. I think right now you have got a situation—and some of the panel too I believe alluded to it very well, in the sense that you are now into a second disaster. In terms of whether Homestead—is reestablished.

Mr. SANGMEISTER. Yes.

Mr. LINDEN. That is a significant number of jobs in this community, okay. A lot of people, as they say in their vernacular, book north, and are not going to return, or will return, depending on whether or not Homestead is reestablished. So, you heard the words about a solid economic base from the mortgage people. I think that is a critical factor. The need, for those veterans that are going to stay here—and you have a lot of retired veterans, as you have heard testimony from the builder and others, that are going to remain here. That is why it is going to be critical to get an outpatient clinic. If Homestead does not come back with anything, it is going to be critical to get a VA medical clinic here, because that will keep a number of the people here that are on a fixed income, and a fixed retirement back into this community—and some kind of training. You have got 25 families down here right now, we know of—we heard today that are sitting there looking for work, and need to be trained. Maybe a pilot test to put them to work. I mean, with all the money and all of the resources that we have, I think you have almost got to direct an agency to do this pilot to see if it works.

I think, from a veteran's perspective—and I know there are some veterans out in the audience that are here that are—Carl Rowan and some others, that live here, and lived with it day in and day out. I only was here for a short period of time. They are better qualified to answer your question, Mr. Chairman, than I am. I think what you have got to have is what is this community plan? I think the panel alluded to that. That is a very difficult thing to put together; but I think that is something that has got to be put together, not just for veterans, but, maybe the veterans can lead the way in putting together their portion of the plan, with a little pilot or something like that to get it started.

Mr. SANGMEISTER. I hate to bring the news, but, Congresswoman Brown just advised me that the list is out, and Homestead is on it.

It is number three on the list. I do not expect that that comes as any surprise here.

Mr. HALL. Mr. Chairman, you raised a specific question with regard to availability of organizations in the community to assist in the homelessness program. I think that we are going to have to have a little bit more time to take a look at that. The danger of the homelessness program has been a central focus of late. You know, like anything else, with drugs and AIDS, and alcohol and all of these things that have been out there, but, the focus of attention on the homelessness has been much much more intense within the last year or two.

The availability of funds from the Federal agencies I think are going to take a little bit of time. They are going to be the answer to it, and greater attention is being focused on it. More and more community based organizations or civic organizations, or churches are paying more and more attention now to the needs of the homeless. I think that time will give us a better opportunity to get a better handle on that. There is no question that there is a need, continues to be a need, and will be for funds from the Federal Government. City after city will tell you that they just cannot afford it. They have got to get a little bit of help. I commend the members of Congress, and the people on the Hill for their interest and efforts in facing that program. I think we are going to perhaps need a little bit of time to be able to see just how successful they will be.

Mr. SANGMEISTER. Well, you know, the old saying is write your Congressman if the programs are not working.

One other question, Mr. Linden. We would like a copy of the—you have a contract?

Mr. LINDEN. Yes. I brought one with me. I would be glad to give it to you.

Mr. SANGMEISTER. I would like to see what kind of a contract you ended up with.

Mr. LINDEN. Okay.

Mr. SANGMEISTER. There were three properties? Is that what it was that you—

Mr. LINDEN. We have three properties here, and we have six over on the West Coast.

Mr. SANGMEISTER. Okay. Well, anyway, they were all typical contracts?

Mr. LINDEN. Yes. It was the same contract.

Mr. SANGMEISTER. I would like to have one for the record.

Mr. LINDEN. Yes, sir.

Mr. SANGMEISTER. Okay.

Mr. ENGWILLER. On a typical disaster area, people are going to stay there, and you rebuild, whether they are veterans, or non-veterans, or what have you. Here, with the Air Force Base, and then now probably the possible closing of the Air Force Base, it makes the problem bigger, due to the fact of not only that, but the medical care. So, in this area, alone, you are looking at three or four problems that revolve around one, of course, the hurricane. Without the Air Force Base, if it is gone, and the medical facilities, if it is not adequate, for the veterans and their families, there is no reason for them to stay.



As you heard earlier, if there is no reason to stay, the veteran goes to try to sell his property, he is going to take a loss, which is happening all over. He is in the hole to begin with to go someplace else. So, it is not the average disaster where you just rebuild, and you have got your family here, and you stay, and this is where you wanted to be. Most of your veterans in this area came here for several reasons; one, to be close to the Air Force Base, whether they were retired or they were disabled veterans or what have you, the medical. So, we have lost about three or four things all in one disaster here. I believe you understand that. I just want to reemphasize it.

And employment. Most of your younger veterans are unemployed. It is a matter of—they either become a laborer, or they keep hoping and waiting. So, if—like one person said earlier, one panel—if the Air Force Base is closed, as soon as people know that, the better it would be, rather than sit around waiting another 6, 8, 9 months, yes, we are going to reopen it, and no, we are not. Let them know what they can do or what they have to do.

Thank you.

Mr. SANGMEISTER. Well, apparently it is on the list. It will have to be voted up and down with all of the rest of them. As you know, we cannot single any out. We either accept the list and vote aye, or vote no. So, I will have to see how that happens down the path.

Well, if there is nothing else, or any other comments you would like to make—again, we certainly appreciate all of the veterans' organizations participating in this. As I indicated previously, money is a big factor. We will work, as a subcommittee, in the area of what we are assigned to, of course, in the housing area. We will report to the Full Chairman, Mr. Montgomery. We will see if we can help you with some of the problems that you have.

Meanwhile, of course, you can also work with your local Congressional people here. Tomorrow, we will have a further tour of the area. Although from what I heard today and saw coming down here, we do not need to have it ingrained any further as to what the communities have put up with.

Housing and treating the homeless veteran are matters under this subcommittee's jurisdiction. This I think has been the right community to come to. You have been hit from all sides. We appreciate the hospitality that everybody has shown us, and the city fathers for the use of the building. Unless there is anything further, why—yes, sir?

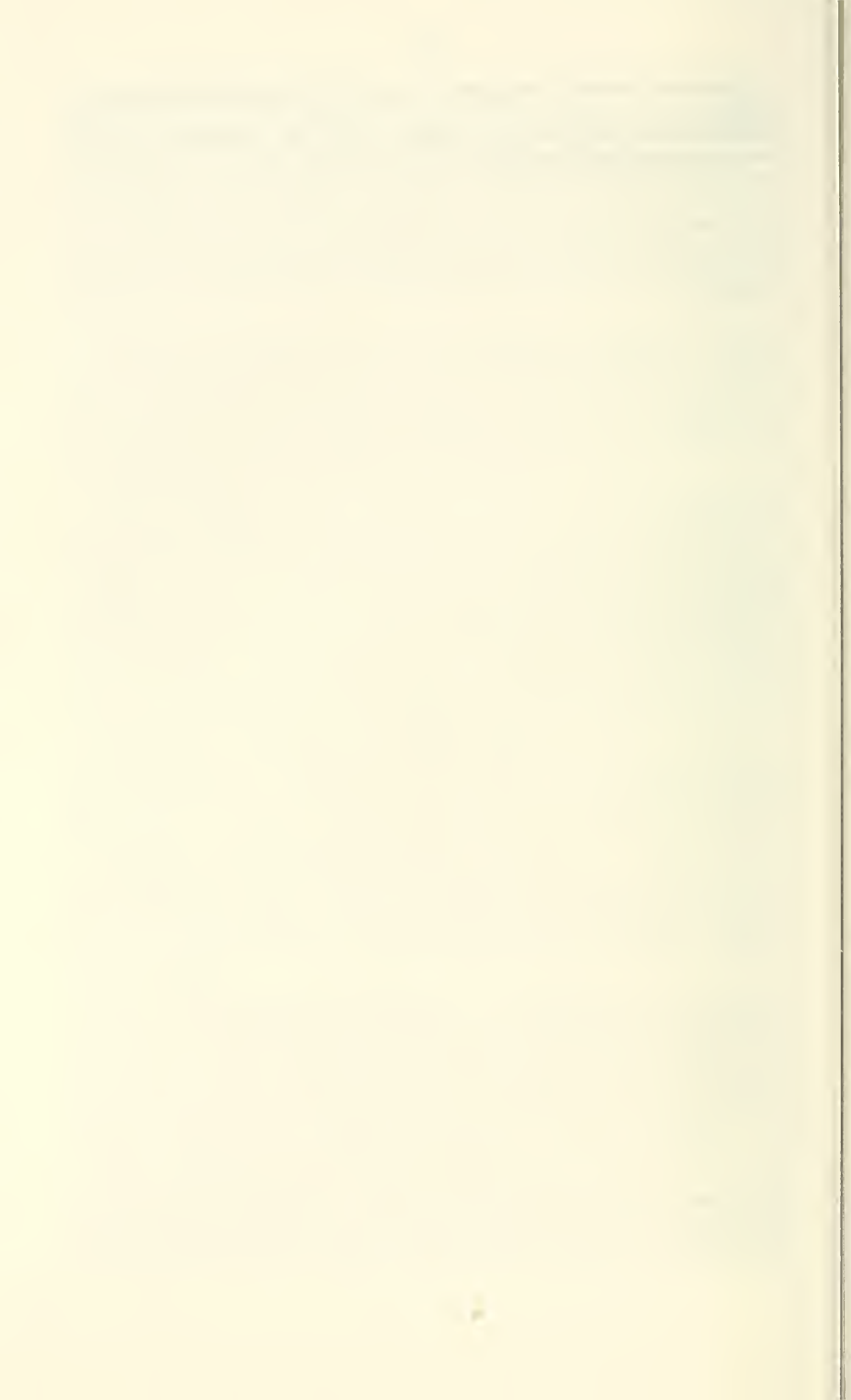
From THE FLOOR. I have a question. I would like to find out what the Congressman feels about the tent city ideas. Because originally, for the homeless, they had tent cities. I think those came down relatively—I mean, too fast. Because even now there is another tent city being put up in another area. I think there was a lot of pressure for people to get rid of that tent city idea. So, I would like to find out what the Congressman thinks of trying to approach the problem through a tent city basis?

Mr. SANGMEISTER. Well, we are going to take a look and see how that is operating presently. That certainly cannot be the best type of housing that can be provided for those people. We are cognizant of the problem. However, we must address what we can do from there, and how we can work it out.



If there is nothing else, thank you all. The subcommittee is adjourned.

[Whereupon, at 12:30 p.m., the hearing was recessed, to reconvene at the call of the chair.]



## APPENDIX

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HON. GEORGE E. SANGMEISTER  
CHAIRMAN  
SUBCOMMITTEE ON HOUSING AND MEMORIAL AFFAIRS

FIELD HEARING HOMESTEAD, FLORIDA

MARCH 12, 1993

THE SUBCOMMITTEE WILL BE IN ORDER. I AM PLEASED TO JOIN MY VICE CHAIRMAN, REPRESENTATIVE SANFORD BISHOP OF GEORGIA AND SEVERAL OF MY FLORIDA COLLEAGUES, REPRESENTATIVES CORRINE BROWN, PETER DEUTSCH, AND LINCOLN DIAZ BALART AS WELL AS THE CITIZENS OF HOMESTEAD, TO FOCUS ON THE DEPARTMENT OF VETERANS AFFAIRS' ABILITY TO RESPOND TO THE EFFECT OF HURRICANE ANDREW ON VETERANS PROGRAMS. SPECIFIC EMPHASIS WILL BE ON HOMELESSNESS AND HOUSING PROGRAMS, AS THEY FALL WITHIN THE SUBCOMMITTEE'S JURISDICTION.

THE HEARING PROVIDES AN IMPORTANT FORUM FOR THE SUBCOMMITTEE TO OBTAIN INFORMATION AND INSIGHTS ON VA'S REACTION TO THE DISASTER. AS THE ADMINISTRATION PREPARES TO RELEASE ITS BUDGET FOR FISCAL YEAR 1994 AND CONCERNS CONTINUE OVER REDUCING THE FEDERAL DEFICIT, THE SUBCOMMITTEE MUST LOOK AT THE PROGRAMS WHICH IT HAS JURISDICTION WITH THOUGHTFUL INNOVATION. I WANT TO CHALLENGE ALL OF THE WITNESSES TODAY TO GIVE ME SUGGESTIONS AND RECOMMENDATIONS FOR IMPROVING THE PROGRAMS WHILE CONFORMING WITH THE BUDGETARY CONSTRAINTS.

THE AFTER EFFECTS OF NATURAL DISASTERS, LIKE HURRICANE ANDREW ARE DEVASTATING AND FAR REACHING. INDIVIDUALS LIVING IN SOUTH FLORIDA FROM COLLIER, DADE AND MONROE COUNTIES, NO MATTER THEIR PERSONAL LEVEL OF ECONOMIC WELL BEING, WHETHER EMPLOYED OR UNEMPLOYED, HEALTHY OR INFIRMED MUST FACE WITNESSING THE PHYSICAL DESTRUCTION THEIR OWN EXISTENCE -- PROPERTY AND BELONGINGS AND THE ACCOMPANYING EMOTIONAL TRAUMA OF DISPLACEMENT FROM THEIR HOME.

THESE NEW HOMELESS, AS A RESULT OF HURRICANE ANDREW, MUST NOW FACE THE SAME ISSUES LONG ATTRIBUTED TO THE "TRADITIONAL" HOMELESS -- PROVIDING HOUSING, INCOME, HEALTH CARE AND OTHER BASIC NECESSITIES FOR THEMSELVES AND THEIR FAMILIES. TODAY'S HOMELESS POPULATION IS DIVERSE AND INCLUDES FAMILIES, WITH OR WITHOUT CHILDREN AS WELL AS TRADITIONAL AND



SINGLE PARENT FAMILIES; NEWLY UNEMPLOYED; THE WORKING POOR; AND THOSE SUFFERING FROM CHRONIC MENTAL ILLNESS OR SUBSTANCE ABUSE.

IN THE DISASTER DESIGNATED COUNTIES OF COLLIER, DADE AND MONROE, VA INDICATED LOAN AND PROPERTY ACTIVITY IN MORE THAN 38,000 CASES, INCLUDING 404 ACQUIRED PROPERTIES. WHILE VA IDENTIFIED MORE THAN 128 HABITABLE AND AVAILABLE ACQUIRED PROPERTIES FOR USE BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) TO USE FOR EMERGENCY HOUSING, FEMA RELEASED ALL THE VA-OWNED PROPERTIES AND ADVISED THAT THE PRIVATE RENTAL MARKET HAD MET THE NEED FOR TEMPORARY HOUSING.

THESE AND OTHER PROPERTIES WERE SUBSEQUENTLY OFFERED TO VETERANS SERVICE ORGANIZATIONS (VSO) AND THE AMERICAN RED CROSS TO USE AS TEMPORARY HOUSING FOR VETERANS WHOSE HOMES WERE DAMAGED OR DESTROYED BY HURRICANE ANDREW. THE DISABLED AMERICAN VETERANS (DAV) ENTERED INTO SEVERAL SIX MONTH LEASE AGREEMENTS WITH VA TO HOUSE HOMELESS VETERANS WHO REQUESTED ASSISTANCE. THE SUBCOMMITTEE APPLAUDS THE DAV AND OTHER VETERANS' SERVICE ORGANIZATIONS FOR THEIR UNTIRING WORK TO HELP THEIR FELLOW VETERANS.

NOW IS THE TIME FOR VA TO STEP FORWARD AND LEAD BY EXAMPLE. THE SUBCOMMITTEE WILL CONTINUE TO EXPLORE NEW WAYS TO IMPROVE AND DEVELOP NEW VA HOUSING AND HOMELESS PROGRAMS.

## STATEMENT OF

CARLOS L. RAINWATER, DIRECTOR  
ST. PETERSBURG REGIONAL OFFICE  
U.S. DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

SUBCOMMITTEE ON HOUSING AND MEMORIAL AFFAIRS  
COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

HURRICANE ANDREW

MIAMI, FLORIDA

MARCH 12, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

I am pleased to be here before this Committee and to explain the U.S. Department of Veterans Affairs Regional Office's (VARO) relief efforts in the wake of Hurricane Andrew which hit South Florida August 24, 1992 devastating South Dade county and Homestead Air Force Base.

The VA Regional Office designated a collection point for relief supplies in the lobby of the VARO for RO employees in the Homestead area who had losses due to the hurricane. The Employee's Association set up an account for donations from RO employees and others to assist RO disaster victims.

VBC ACTIONS

The Veterans Services Officer (VSO) and four Veterans Benefits Counselors (VBC's) were dispatched in two recreational vehicles immediately to complete coordination with the Federal Emergency Management Agency (FEMA) disaster relief sites that had been underway by telephone. Four additional recreational vehicles were obtained, supplied and staffed by eight additional VBC's.

A recreational vehicle and two VBC's were assigned to the various FEMA disaster relief sites throughout the South Dade County area. The counselors helped victims identify and contact their insurance carriers. They worked

with Loan Service & Claims at the Regional Office to obtain forbearances on mortgage payments, rescheduled VA examinations, hearings and Vocational Rehabilitation and Education counseling sessions. They also assisted with reobtaining a VA specially adaptive housing grant or adaptive car equipment and helped to replace military service records/medals, VA insurance policies, premium payment coupons, birth, marriage, and divorce certificates and other documents. They also provided assistance to apply for VA insurance policy loans/cash surrender, requests for extensions of appeal cases, address changes for VA purposes and to obtain Certificates of Eligibility for VA home loan guaranty.

Meanwhile, procedures for expedited processing of claims from the disaster area were established. Emergency closing waivers were set up for VA-approved schools in the disaster area, which permitted VA students at these schools to receive payments for periods when the schools were closed due to the disaster. Arrangements were made with the Adjudication Division in St. Petersburg and Atlanta to prevent creating overpayments for students in the affected areas. In cases where the claimants were unable to provide verification of service documents, the VBC's completed Standard Form 180's, Request Pertaining to Military Records, which were faxed by the Military Services Coordinator to the National Personnel Records Center in St. Louis for expedited verification of service.

#### ASSISTANCE OF OTHER REGIONAL OFFICES

We requested employees from other Regional Offices to fill behind RO employees assigned to the South Dade area. We received counselors from Little Rock, Muskogee, Houston, Winston-Salem, and the Waco Regional Offices.

By the afternoon of Tuesday, September 1, the VBC's in the disaster area were hard at work, and the VBC's from other stations had settled into the Telephone Interview Activity and were working in the Fiduciary and Field Examination Activity contacting beneficiaries in the South Florida area to insure they were receiving proper care.

While they were in the disaster area, most of the 13 Veterans Services Division (VSD) employees were working 12 hour days, seven days a week at the FEMA disaster sites plus travel. Others performed RV maintenance and volunteer work at food distribution centers (14 to 16 hours per day). The personnel worked mainly in tents without electricity or running water and lived in the recreational vehicles. During their stay they assisted 3565 veterans and dependents and issued 243 Loan Guaranty certificates of eligibility in the disaster area. Subjects discussed during these contacts included 2834 Loan Guaranty, 2120 medical, 1904 compensation and pension, and 1673 education. VBC's also had requests for 478 documents ordered, 400 changes of address and 847 other for a total of 9652 different actions processed.

VBC's also helped unload trucks at distribution centers, arranged transportation to medical first aid stations, filled out FEMA applications, did clean up around sites, obtained equipment and supplies for Disaster Assistance Centers such as diesel electric generators; built showers; assisted with power and phone hook-ups, and prepared meals for workers. There was always work to be done, and will be for months.

#### EMERGENCY HOUSING ASSISTANCE

After the President declared a major disaster in Broward, Collier, Dade and Monroe counties, VA contacted FEMA and advised them that we would prepare a list of available properties located in the disaster area for FEMA's use as emergency housing. We reviewed our records and determined that we had 404 VA acquired properties in the designated counties.

On September 4, 1992, we provided FEMA with a list of 107 properties that were habitable and available to them for emergency housing. We continued to identify habitable properties located in the disaster area and subsequently provided FEMA with an additional 21 properties that could be used for emergency housing. On October 16, 1992, FEMA released all 128 VA-owned properties and advised that the private rental market had met the need for temporary housing.



We offered 59 additional properties located in Palm Beach County to veterans' service organizations and the Red Cross for the purpose of temporary housing for veterans whose homes were damaged or destroyed by Hurricane Andrew. Most of the organizations were unable to develop plans to utilize these properties. However, Disabled American Veterans (DAV) entered into six month lease agreements with the VA for three properties located in south Florida to house homeless veterans who requested assistance.

We identified 101 VA-acquired homes located in the disaster area that had received damage. We spent over \$323,000 to repair 88 of the damaged properties to prepare them to be listed for sale. Repairs on an additional 13 properties were not cost effective and are being marketed for land value only. Our potential loss on these 13 properties is estimated at \$450,000. Several properties had insurance policies still in effect. To date we have received settlements totaling \$444,053.

We notified the lenders and loan holders that we had declared a 90 day moratorium on foreclosure of VA guaranteed loans, and that we would agree to any reasonable proposals to indulge borrowers during the disaster. We explained our regulations and policy which encourage loan holders to extend every possible forbearance to borrowers in default (through no fault of their own) during a disaster, and to assist them in retaining their homes. Loan holders may extend and reamortize loans, reapply prepayments, and make advances or supplemental loans. We also notified lenders that any new VA guaranteed home loans scheduled to close in the disaster area would be suspended until an additional inspection for damage could be completed. We completed these inspections in a timely manner with existing staff, so as not to create additional delays or expenses for the veteran buyers.

We put out news releases advising veterans affected by Hurricane Andrew to contact their loan holder concerning their loss and to discuss forbearance and procedures regarding property repairs, and payments to contractors. Veterans were cautioned not to make hasty property settlements. They were advised to contact the regional office and also told that VA staff were available at Disaster Application Centers located in the affected area.

We made available nine properties to the Employees Assistance Program Coordinator at the VA Medical Center in Miami to house homeless employees who were needed to provide critical medical assistance. The coordinator placed three homeless employees in VA-owned properties and two are still occupied by VA Medical Center employees.

We are resolving insurance losses on 44 portfolio loan accounts. The gross insurance proceeds on these accounts exceed \$1.1 million. To date over \$580,000 in repairs have been completed and funds disbursed. Nine homes were considered totally destroyed and are now being rebuilt.

Hurricane Andrew

Department of Veterans Affairs Medical Center  
Miami, Florida

STATEMENT OF THOMAS C. DOHERTY, MEDICAL CENTER DIRECTOR

March 12, 1993

BEFORE THE STORM

While residents of South Florida readied their homes and businesses as best they could, the Miami VAMC employees were working just as feverishly the weekend of August 23, 1992 to complete their preparations for the storm. Obvious preparations included closing the hurricane shutters over all the windows of the twelve-story hospital, removing objects from the grounds that would become deadly missiles in the hurricane winds, and covering the corridor floors with non-skid materials to prevent slippage. Additional preparations included sandbagging critical areas in danger of flooding; distributing potable water to all wards; testing the emergency generator; preparing the Nursing Home Care Unit dining rooms for families; filling the tanks of all VA vehicles with gasoline, and removing all canvas awnings around the hospital. Many of our employees volunteered to remain at the Medical Center and many others who were not even scheduled reported for duty. Sixteen and twenty-four hour shifts were the norm which continued through the immediate aftermath of the storm.

Our most essential responsibility was reassuring more than 700 patients that their care, safety and comfort was paramount. We were able to discharge more than 100 of our patients to their homes prior to the storm.

THE STORM AND ITS AFTERMATH

The Miami VAMC suffered loss of many windows, with considerable flooding and water damage; loss of countless trees and all the surrounding landscaping. There was considerable roof damage. Fortunately, however, no storm-related injuries occurred at the hospital. Hundreds of employees and patients' cars were destroyed

or badly damaged. One of our biggest problems was the loss of all utilities. The emergency generator was brought on line within a few hours, and the fire systems were reactivated shortly after that. Emergency operating procedures were carried out by emergency power and flashlights. Live electrical wires were scattered around the hospital. We still had over 700 inpatients who continued to need all the medical services and attention that could be provided by a major hospital, and even the simplest things such as preparing and serving food, providing potable water, and emptying toilets were now major challenges. Because of the lack of water, the building's air conditioning system had to be shut down, and the temperature inside the hospital on all floors and wards rose steadily. This caused great discomfort to patients and our employees. It also presented an immediate threat to the computer and telephone systems. Radiology and Nuclear Medicine became increasingly concerned about cooling the scanning equipment and radioactive materials used in the laboratories. With great ingenuity, Engineering Service was able to get the air conditioning system to function within 36 hours of the storm by pumping water from a nearby canal to the hospital's cooling towers.

Water truck convoys were enroute from other VA's and employees were requested to bring their own water with them, if possible. Potable water was distributed to the wards on all twelve floors in one gallon jugs. By Friday following the hurricane, the city water was turned back on for non-drinking purposes, and the toilets which had to be manually flushed were now operable. By the following Monday, the water was tested and approved by local health authorities for drinking purposes. The hospital returned to a semblance of normality, and it now became the "best place to be" for many employees who had lost their homes, or were still without electricity where they lived. About 465 VAMC Miami employees' homes were completely or partially destroyed. Many of them were forced to abandon their homes and find shelter elsewhere.

In the aftermath of one of the worst "natural disasters" to hit the Eastern United States, the Department of Veterans Affairs rose to



the tremendous task of providing essential services to our veterans, retirees, active duty personnel and the civilian population.

Statement of

Major General Earl G. Peck, USAF (Ret.)  
Executive Director,  
Florida Department of Veterans' Affairs

Before the

US House Committee On Veterans' Affairs  
Subcommittee on Housing and Memorial Affairs

March 12, 1993  
Miami, Florida

Good morning.

First, I very much wish to thank Chairman Sangmeister and the Subcommittee's Membership and Staff for taking time to hear of the serious problems which exist in Florida. As nearly everyone knows, Florida has withstood a tremendous blow, beginning with Hurricane Andrew -- continuing to the present. It is a dubious honor to have endured the worst natural disaster in the history of the Nation, but as often proves true, Florida will emerge stronger and wiser because of this experience.

Adversity has a way of drawing the best out of many people. A natural disaster of the magnitude of Hurricane Andrew creates many heroes, most of whom remain unrecognized and unrecorded -- much the same as occurs in war. Veterans eventually become resigned to such anonymity in most cases. One important objective of today's hearings should be that of praising the many thousands of people, acting in groups or by themselves, who have sacrificed so much to lend aid and comfort to their fellow citizens during this unprecedented period of emergency.

The US Department of Veterans Affairs (VA) has made vigorous efforts in many instances to continue services to Florida veterans. Those efforts do not go unrecognized or unappreciated. Many hundreds of VA employees rolled up their sleeves and helped in every phase of the aftermath of Andrew. However, the purpose of today's hearing is not to celebrate our victories, but to identify our problems and to consider how to make further refinements to benefit our veterans.

To understand our feelings about how things are going after Hurricane Andrew, one must understand how things were going before the Storm. The Florida Veteran faced something of a disaster well before Andrew. For at least a decade we have been shortchanged by various federal policies which discriminate against states with rapid population growth. In some instances census-based formulas are used to drive the allocation of federal resources we so badly need. Census-based formulas, of course, do not serve states whose growth outstrips some statistician's idea of what "should be happening." It's important to note that the VA's estimate of the size of Florida's veteran population was low by a factor of almost 10% as was discovered with incorporation of 1990 Census data.

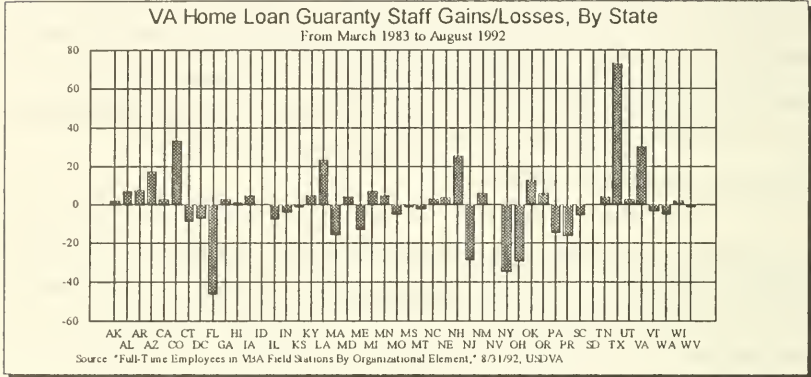
In other instances, Florida has simply not had the political "horsepower" to promote equitable access to federal resources. These mysteries of government process have been mastered by some Members of Congress. The evidence of "mastery" is evident when legislation requiring the VA to provide equal access to veterans' benefits is proposed (see Veterans' Bill of Rights). Thus far, neither the House or Senate Committee on Veterans' Affairs have placed this important legislation on the agenda for debate.

Today, I will concentrate on the impact of Hurricane Andrew and related matters on various VA programs, particularly home loan guaranty activity in Florida

In March of 1983, the VA identified 154.6 VA home loan guaranty workers in Florida. As of August, 1992, that number had dropped to 109 employees. During this nine-year period, Florida experienced a loss of 45.6 positions in this critical area. During the same period, no other state experienced anywhere near this substantial a



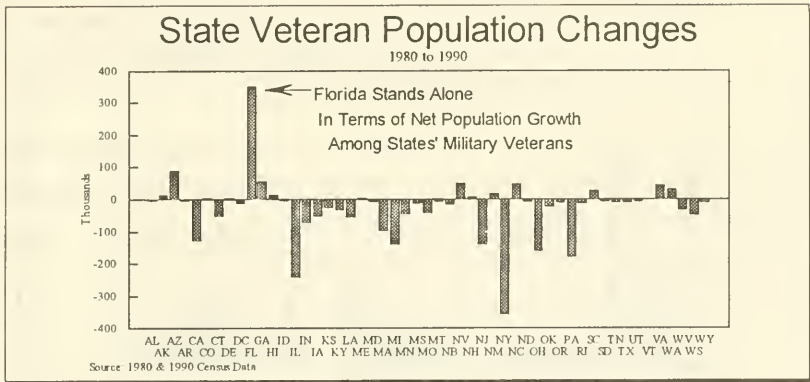
reduction in force in its VA home loan guaranty program. In fact, the State of Texas experienced a concurrent net gain of 73.3 additional positions in this specific area. Below is a graph illustrating the staff changes which occurred nationwide in this single VA program area from March, 1983, to August, 1992.



Not to pick on Texas, which certainly also had its share of problems during the latter 1980s, but its veteran population actually decreased during this period. Florida, in stark contrast, experienced the largest growth in its veteran population in the Nation. In fact, the population of new veteran residents who moved to Florida sometime in the 1980s is larger than the individual veteran populations of 22 states. The VA's curious reaction has been to deplete Florida's home loan guaranty capacity, and to add to that available in Texas (and elsewhere). Again, without prejudice to what should have happened in Texas, Florida should not have been treated in such cavalier fashion. It stands to reason that, typically, home loan guaranty workers are most in demand in that part of the country where veterans are

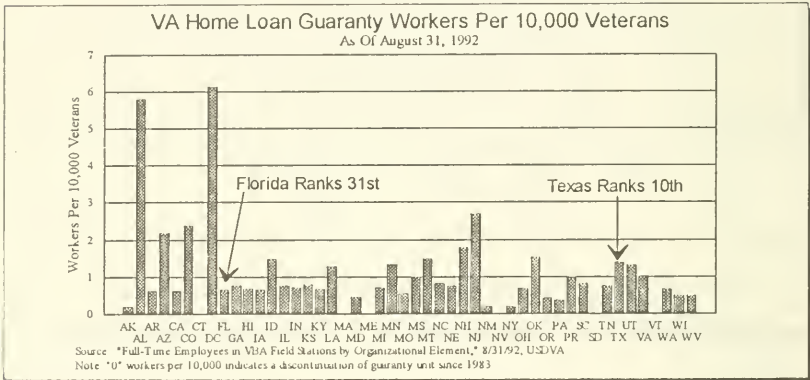
moving (establishing new homesteads) with the greatest frequency -- the State of Florida.

Unless it was thought that handling a large volume of foreclosures which befell veterans in Texas took precedence over issuing new loans to veterans in Florida, and assisting our veterans who also experienced financial difficulties during this trying period, this staffing pattern is difficult to understand. Unless it is thought that Florida's veterans have a lesser entitlement to this important and long-standing benefit, reducing VA home loan capacity in this State made no sense at all.



Now, how do we fare at present? What are the implications of past staff reductions in Florida as it attempts to cope with this disaster? The answers to both these questions should by now be glaringly apparent.

In terms of present capacity (defined as the number of available workers) in the VA home loan arena, Florida ranks 31st among the states with .64 home loan guaranty workers per 10,000 Florida veterans -- hardly what one would hope to find available for the fastest-growing population in the Nation. Compound this knowledge with the understanding of what has happened because of the Hurricane (e.g., the overall requirements for specialized, individual treatment of atypical cases) and one quickly must conclude that additional resources (personnel) are required locally. Though our population is larger, we would gladly settle for VA home loan worker parity with Texas -- that would mandate the immediate addition of 130 home loan guaranty workers in Florida's VA Regional Office.



Overlaying this perspective is the growing feeling among veterans' advocates in Florida that the new VA home loan policies -- recently allowing for negotiations of interest rates, points and other details of a loan between a lender and veteran -- also may portend the demise of VA home loans. This feeling flows from the perception

that VA home loans are no longer as advantageous as other federal loan guaranty programs. It is difficult to imagine why either a veteran or a lender would regard this "experimental" VA home loan program as an important advantage in the home-buying process. As a matter of definition, we believe that first and foremost, a "benefit" should "benefit" the person entitled to it.

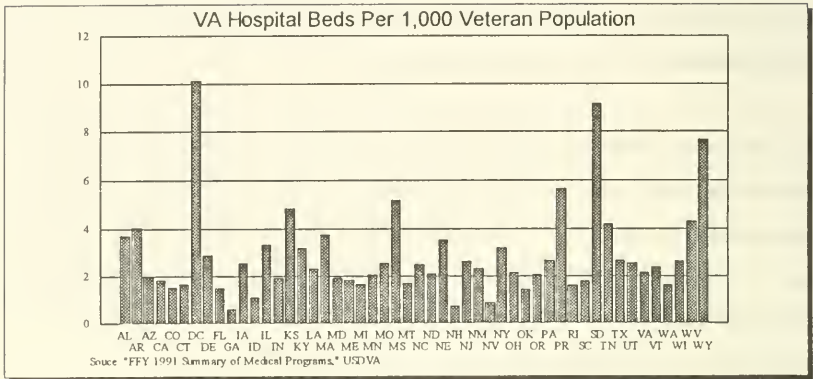
Compared to the traditional function of a VA home loan, that of providing veterans assurance that they would receive fair-market rates, while allowing them to occupy their new homes with minimal (or no) cash outlay, this experiment seems to be designed to see if anyone is paying attention. Systemic problems in the new program are supposed to be detected and reacted to as made possible by establishment and maintenance of a database reflecting overall program efficacy.

As far as we can tell, though the new program has been in effect since late last October, no data reflecting program successes or failures is available for Florida. An early failure to closely monitor this experimental approach will quickly reinforce any suspicions about the long-term survival of the VA home loan guaranty program. In particular, veterans impacted so severely by Hurricane Andrew have no time to wait extended periods while the new program's efficacy is evaluated. They need help now, from a program which can be relied upon -- one that is adequately staffed.

Finally, it has been requested that we consider and discuss the local actions of the VA designed to deal with problems experienced by the homeless. It has been our observation that most VA activity intended to assist homeless veterans occurs in areas where excess health care capacity exists in the VA health care system. This is



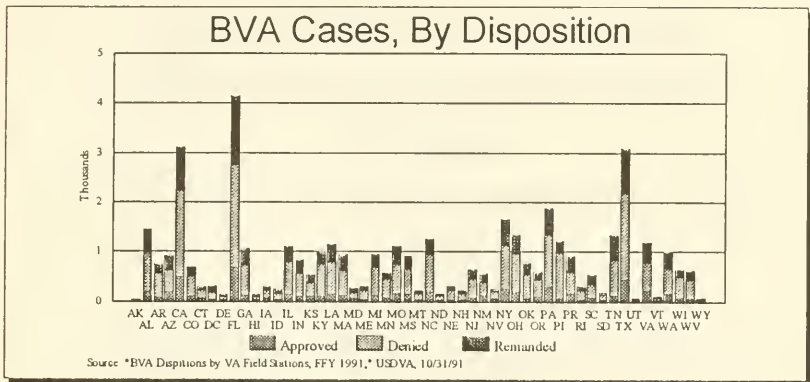
not a factor in Florida. We have the least access to VA health care of any large state.



In a rank-ordering of all states based on per veteran expenditures by the VA for medical services and related administrative expenses, Florida ranks 43rd. In terms of how well Florida does vis-à-vis VA hospital beds per 1,000 veteran population, we rank no better than a frustrating 45th.

Each of these measures contrast sharply with the fact that we are home to more 100% disabled veterans than any other state. We are, in fact, home to the largest, most frequently and severely service-connected disabled American veteran population. Moreover, we are the only population of military veterans which continues to grow at a rapid rate (95.7 veterans per day throughout the decade of the 1980s). Adequate VA health care capacity is not a luxury enjoyed in Florida. In no way could we be said to have excess capacity in our local VA health care resources.

Concluding my remarks, I must also observe that the number of claims by Florida Veterans for VA benefits -- denied at first, and, then appealed to the Washington, D.C., Board of Veterans' Appeals -- is 25% larger than from any other state. We believe this indicates a problem caused by overworked adjudication staff personnel at the Florida Regional Office. As seems true in most respects, the VA employee assigned to Florida will work longer and harder or become buried in their growing workloads. Of course, veterans with a VA home loan problem of some type will not be protected from such local handicaps either. We are aghast that the VA Central Office has been so slow to recognize or accept our bleak realities -- most of which long predated Hurricane Andrew.



Florida realizes the difficulty of allocating new resources to meet the needs of its military veterans at a time of unprecedented competition for federal resources, as well as the absolute requirement to reduce the deficit. At the same time, though, we expect to benefit on equal terms with the rest of the Nation. After all, we too pay our federal taxes and simply await a fair return on that voluntary investment in our

collective well-being. We, too, fought to achieve the objectives of our Nation. Must we forever continue fighting to receive fair treatment from our federal government, as well?

STATEMENT OF  
ROBERT H. VOLLAND  
OFFICE OF DISASTER ASSISTANCE PROGRAMS  
FEDERAL EMERGENCY MANAGEMENT AGENCY  
BEFORE THE  
SUBCOMMITTEE ON HOUSING AND MEMORIAL AFFAIRS  
OF THE  
COMMITTEE ON VETERANS AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
HOMESTEAD, FLORIDA  
MARCH 12, 1993



THANK YOU FOR THE OPPORTUNITY TO TESTIFY BEFORE YOUR COMMITTEE TODAY. MY NAME IS ROBERT VOLLAND. I AM CHIEF OF THE INDIVIDUAL ASSISTANCE DIVISION OF THE OFFICE OF DISASTER ASSISTANCE PROGRAMS WITHIN THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) IN WASHINGTON, D.C.

FIRST, I WOULD LIKE TO PROVIDE YOU WITH A BRIEF OVERVIEW OF FEMA'S DISASTER HOUSING PROGRAM AND ITS OPERATION IN THE AFTERMATH OF HURRICANE ANDREW. I'LL ALSO DISCUSS OUR COORDINATION WITH THE DEPARTMENT OF VETERANS AFFAIRS, INCLUDING ACTIVITIES UNDERTAKEN BY THE INTERAGENCY COUNCIL ON THE HOMELESS, AND FEMA'S EMERGENCY FOOD AND SHELTER PROGRAM.

FEMA'S DISASTER HOUSING PROGRAM IS INTENDED TO MEET THE HOUSING NEEDS OF PEOPLE DISPLACED FROM LONG TERM HOUSING AS A DIRECT RESULT OF A MAJOR DISASTER OR EMERGENCY. FOR THE MOST PART, THE PROGRAM MEETS THE NEEDS OF PEOPLE DISPLACED FROM HOUSING AS A RESULT OF PHYSICAL DAMAGE TO THEIR LONG TERM RESIDENCE. FEMA CAN ALSO PROVIDE ASSISTANCE TO PEOPLE FACING EVICTION OR FORECLOSURE ACTION AS A RESULT OF A MAJOR DISASTER OR EMERGENCY TO PREVENT LOSS OF THEIR LONG TERM RESIDENCE.

DISASTER HOUSING ASSISTANCE COMES IN SEVERAL FORMS. WITH THE EXCEPTION OF THE USE OF MOBILE HOMES, MOST PROGRAM ASSISTANCE IS FINANCIAL. THE MOST FREQUENTLY USED METHOD FOR PROVIDING DISASTER HOUSING ASSISTANCE IS TO PROVIDE GRANTS TO PEOPLE SO THEY CAN MAKE EXPEDIENT REPAIRS TO THEIR HOMES. THIS ASSISTANCE IS LIMITED TO HOMEOWNERS.

ANOTHER FREQUENTLY USED DISASTER HOUSING AID PROGRAM PROVIDES GRANT ASSISTANCE FOR PEOPLE TO RENT ALTERNATE ACCOMMODATIONS. FEMA ALSO PROVIDES MORTGAGE AND RENTAL ASSISTANCE. THIS FORM OF HOUSING IS USED TO PREVENT PEOPLE FROM BEING DISPLACED BY EVICTION OR FORECLOSURE RESULTING FROM DISASTER RELATED FINANCIAL HARDSHIP.

AND FINALLY, FEMA HAS A STOCK OF MOBILE HOMES WHICH CAN BE DISPATCHED TO DISASTER AREAS. THIS IS A LAST RESORT FORM OF

DISASTER HOUSING BECAUSE OF THE EXPENSE INVOLVED IN TRANSPORTING AND INSTALLING THE HOME, AND THE LENGTHY AMOUNT OF TIME OFTEN NEEDED TO MAKE THE MOBILE HOMES READY FOR OCCUPANCY.

FEMA ACCEPTS APPLICATIONS FOR DISASTER HOUSING ASSISTANCE THROUGH DISASTER APPLICATION CENTERS ESTABLISHED IN THE DISASTER AREA, AND THROUGH THE NATIONAL TELEREGISTRATION CENTER, WHICH AFFORDS PEOPLE THE CONVENIENCE OF APPLYING OVER THE TELEPHONE THROUGH A TOLL FREE NUMBER. INFORMATION ON THE APPLICATION IS NORMALLY VERIFIED BY INSPECTION OF THE DAMAGED RESIDENCE.

FEMA WRITES CHECKS IN ITS DISASTER FIELD OFFICES AND, IN MOST DISASTERS, PEOPLE RECEIVE ASSISTANCE IN A WEEK TO TEN DAYS FROM THE TIME THEY APPLY. EVEN IN LARGE DISASTERS SUCH AS HURRICANE ANDREW, MOST PEOPLE RECEIVE ASSISTANCE IN TWO TO THREE WEEKS. FEMA HAS ESTABLISHED SYSTEMS TO AVOID DUPLICATING BENEFITS RECEIVED FROM OTHER ORGANIZATIONS AND FROM INSURANCE, WHILE STILL PROVIDING ASSISTANCE VERY QUICKLY.

SINCE HURRICANE ANDREW DEVASTATED SOUTH FLORIDA, FEMA HAS PROVIDED OVER \$100 MILLION IN DISASTER HOUSING ASSISTANCE GRANTS TO OVER 47,000 HOUSEHOLDS. IN ADDITION, FEMA HAS EXPENDED AN ADDITIONAL \$27 MILLION IN HOUSING ASSISTANCE TO 3,393 APPLICANTS FOR MOBILE HOMES AND TRAVEL TRAILERS.

ASSISTANCE WAS PROVIDED TO PEOPLE DISPLACED BY HURRICANE ANDREW MUCH FASTER THAN IN ANY OTHER COMPARABLE DISASTER IN TERMS OF SIZE. FOR EXAMPLE, 48 DAYS AFTER THE DISASTER IN HURRICANE HUGO IN SOUTH CAROLINA, 8,418 HOUSEHOLDS HAD RECEIVED DISASTER HOUSING ASSISTANCE TOTALLING \$10.4 MILLION. BY COMPARISON, 48 DAYS AFTER HURRICANE ANDREW IN FLORIDA, FEMA HAD PROVIDED \$82.5 MILLION IN ASSISTANCE TO 39,545 FAMILIES.

THE DEGREE OF DESTRUCTION IN HURRICANE ANDREW DID, HOWEVER, MAKE THIS A VERY DIFFICULT RECOVERY OPERATION. THE DAMAGE TO THE HOUSING STOCK WAS SEVERE, AGGRAVATING A SERIOUS SHORTAGE OF VACANT RENTAL HOUSING. THIS, IN TURN, CAUSED FEMA TO USE THE LARGEST NUMBER OF MOBILE HOMES IN 20 YEARS. THERE WAS EXTENSIVE

WORK INVOLVED IN CLEARING DEBRIS, AND REPAIRING UTILITIES IN THE DAMAGED MOBILE HOME PARKS. FOR THIS REASON, FEMA WAS UNABLE TO PROVIDE A MOBILE HOME TO MANY HARD HIT FAMILIES FOR SEVERAL WEEKS. EVEN ESTABLISHMENT OF LIFE SUPPORT CENTERS WAS ONLY ABLE TO PARTIALLY ALLEVIATE THE SUFFERING OF THESE FAMILIES. AT THE PRESENT TIME WE HAVE PROVIDED MOBILE HOMES TO 97% OF THE HOUSEHOLDS NEEDING THEM.

FEMA NORMALLY COORDINATES WITH THE DEPARTMENT OF VETERANS AFFAIRS IN TWO WAYS. FIRST, WE MAKE CERTAIN THAT VETERANS ARE INFORMED THROUGH OUR DISASTER APPLICATION CENTERS AND NATIONAL TELEREGISTRATION CENTER ABOUT OBTAINING ASSISTANCE FROM THE DEPARTMENT, AND FROM APPROPRIATE STATE VETERANS' ORGANIZATIONS. SECOND, WE OBTAIN A LISTING OF ALL VACANT VA HOUSING IN THE DISASTER AREA. REPRESENTATIVES OF THE DEPARTMENT ARE REGULARLY INVITED IN THE COORDINATION MEETINGS ATTENDED BY FEDERAL, STATE, AND VOLUNTARY RELIEF AGENCIES IN THE AFTERMATH OF DECLARED MAJOR DISASTERS.

THE DEPARTMENT OF VETERANS AFFAIRS' EXPERTISE IN THE AREAS OF EMERGENCY MEDICAL SERVICES, PROVISION OF FOOD, AND ENGINEERING EXPERTISE CAN ALSO BE USED IN DISASTER RESPONSE OPERATIONS. THESE CAPABILITIES WOULD MOST LIKELY BE USED IN VERY LARGE DISASTER EVENTS. THE INTENSITY OF DAMAGE WAS SUCH THAT NEARLY ALL OF THE HOUSING IN THE HEAVILY AFFECTED AREA WAS DAMAGED TO A CERTAIN EXTENT, INCLUDING ALL VACANT VA HOUSING. AS A RESULT, FEMA COULD NOT REFER PEOPLE TO THIS HOUSING. ALSO, UNDAMAGED VA HOUSING WAS A VERY SMALL PROPORTION OF THE AVAILABLE RENTAL HOUSING OUTSIDE THE HEAVILY AFFECTED AREA. THOSE PEOPLE WHO CHOSE TO MOVE ELECTED TO MOVE TO VACANT PRIVATELY-OWNED HOUSING. MOST PEOPLE SUFFERING DAMAGE FROM HURRICANE ANDREW ELECTED TO STAY IN THEIR DAMAGED COMMUNITIES BECAUSE OF EMPLOYMENT, SCHOOLS, OR AS A MATTER OF CHOICE.

FEMA IS ALSO INVOLVED IN MEETING THE SHELTER NEEDS OF THE PEOPLE OF SOUTH FLORIDA THROUGH THE NATIONAL EMERGENCY FOOD AND SHELTER BOARD, WHICH FEMA CHAIRS. THE BOARD HAS DECIDED TO MAKE

AN ADDITIONAL \$200,000 AVAILABLE IN SOUTH FLORIDA TO MEET THE NEEDS OF THE NON-DISASTER HOMELESS.

IN CLOSING, IT IS IMPORTANT TO NOTE THAT FEMA WORKS WITH THE INTERAGENCY COUNCIL ON THE HOMELESS, OF WHICH THE DEPARTMENT OF VETERANS AFFAIRS IS AN ACTIVE PARTICIPANT. IN FACT, THE DEPARTMENT HAS COORDINATED THE COUNCIL'S LAST TWO ANNUAL REPORTS. LATE LAST YEAR THE COUNCIL COMPILED A DRAFT STRATEGIC PLAN FOR RESPONSE TO THE NEEDS OF THE PRE-DISASTER HOMELESS POPULATION. THE PLAN FORMALIZES THE COORDINATION THAT IS A PART OF OUR STANDARD OPERATIONS.

MR. CHAIRMAN, I APPRECIATE THE OPPORTUNITY TO TESTIFY BEFORE THE SUBCOMMITTEE TODAY, AND I WILL BE PLEASED TO ANSWER ANY QUESTIONS YOU MIGHT HAVE.



CaseNum	Address	C	City	Bdrms	Bthrms	G H	Distance_Kendal_Dr
2-464191	1040 NW 127TH ST		MIAMI	4	2		16.4327
2-643113	16820 NW 52ND AV		MIAMI	3	2		17.2941
2-803021	12820 NE 4TH AV		MIAMI	5	3		17.3581
2-810134	1580 NE 128TH ST		MIAMI	3	2		18.2251
4-444275	6815 NW 6TH CT		MIAMI	2	1		13.5748
4-692592	2290 NW 38TH ST		MIAMI	3	2		11.175
4-692900	1235 FISHERMAN ST		OPA LOCKA	3	2		16.5463
6-813811	1621 NW 40TH ST		MIAMI	2	2		11.6554
6-813811	1623 NW 40TH ST		MIAMI	2	2		11.655
6-832139	2328 NW 67TH ST		MIAMI	4	2		12.5203
2-249389	1437 NW 97TH ST		MIAMI	2	1		14.5666
2-712094	10420 SW 198TH ST		MIAMI	3	2		6.85522
2-403335	1945 NW 186TH ST		MIAMI	3	1		19.3629
2-665933	5451 NW 174TH DR		OPA LOCKA	3	2		17.6056
2-733824	410 NW 195TH TER		MIAMI	3	2		20.5053
2-739063	571 NW 183RD TER		MIAMI	4	2		19.8089
2-746955	1357 SW 23RD ST		MIAMI	2	1		8.96223
2-759776	19741 NW 57TH PL		MIAMI	4	2		18.928
4-018080	8440 SW 35TH TER		MIAMI				3.9598
6-831935	20680 NE 4TH CT	# 103	N MIAMI BCH	2	2		21.8826
2-745460	201 NE 43RD ST		POMPANO	3	2		43.8519
2-745515	471 NW 42ND ST		POMPANO	3	2		
2-753773	2771 NW 23RD ST		FORT LAUDERDALE	3	2		
2-754907	7805 NW 74TH TER		TAMARAC	4	1		37.5674
2-757734	7360 NW 35TH ST		LAUDERHILL	4	2		
2-800259	6630 PERRY ST		HOLLYWOOD	3	2		26.173
2-802237	7151 MOSLEY ST		HOLLYWOOD	3	2		25.0593
2-805367	5610 MCKINLEY ST		HOLLYWOOD	2	1		25.208
2-806067	1820 SW 38TH AV		FORT LAUDERDALE	3	2		30.1709
2-807623	3481 NW 36TH ST		LAUDERDALE LAKES	2	1		35.1199
2-810085	128 NE 19TH AV		POMPANO BEACH	2	1		40.8659
4-578454	450 NW 41ST		POMPANO BEACH	3	2		
4-623353	1945 SW 67TH TER		POMPANO BEACH	2	1		36.9209
2-580878	2219 RODMAN ST		HOLLYWOOD	2	2		25.0948
2-582631	1419 NW 19TH ST		FORT LAUDERDALE	3	1		34.3837
2-585845	6431 SCOTT ST		HOLLYWOOD	2	2		25.2755
2-592331	1621 SW 11TH CT		FORT LAUDERDALE	2	1		31.4873
2-598015	61 SW 14TH ST		DANIA	1	1		
2-628032	961 PENNSYLVANIA AV		FORT LAUDERDALE	2	2		30.9764
2-629882	3156 SW 67TH CT		FORT LAUDERDALE	3	2		37.4672
2-636639	867 RAMBLEWOOD DR		CORAL SPRINGS	3	2		39.2365
2-640873	1455 NE 56TH ST		FORT LAUDERDALE	3	3		
2-644617	3589 NW 34TH ST		LAUDERDALE LAKES	2	2		34.9228
2-648274	7775 MERIDIAN ST		MIRAMAR	2	1		
2-651045	1315 SW 22ND TER		FORT LAUDERDALE	2	1		31.1653
2-663978	1690 NW 97TH WAY		PEMBROKE PINES	2	2		23.9680
2-670241	621 E EVANSTON CIR		FORT LAUDERDALE	2	2		31.3177
2-673114	2653 NW 64TH AV		MARGATE	2	1		40.8461
2-678526	1213 STARDUST		NORTH LAUDERDALE	4	2		37.4471
2-681456	1150 NW 70TH TER		PLANTATION	4	2		32.2402
2-693620	531 NE 42ND ST		POMPANO BEACH	3	2		
2-697896	6316 SW 19TH ST		MIRAMAR	3	2		23.0359
2-713286	6411 COOLIDGE ST		HOLLYWOOD	3	2		25.1788

CaseNum	Address	C	City	Bdrms	Bthrms	G	H	Distance_Kendal_Dr
2-718726	2887 SW 4 CT		FORT LAUDERDALE	3	2			
2-720914	215 NE 5TH ST		POMPANO BEACH	3	2			
2-721454	6317 SW 20TH CT		MIRAMAR	2	1			22.9591
2-738684	100 SW 29TH TER		FORT LAUDERDALE	3	2			31.889
2-739434	6811 SW 8TH CT		NORTH LAUDERDALE	4	2			38.0276
2-740697	5015 SW 24TH AV		FT LAUDERDALE	3	1			28.1871
2-743468	7765 W CORAL BLV		MIRAMAR	3	2			
2-745398	1270 NW 55TH AV		LAUDERHILL	3	1.5			32.5736
2-245842	4040 NE 4TH TER		POMPANO BEACH	2	2			43.6702
2-281492	1643 NW 11TH AV		FORT LAUDERDALE	3	2			34.266
2-290877	7750 NW 34TH ST		HOLLYWOOD	3	2			25.4849
2-407866	3210 SW 39TH CT		HOLLYWOOD	2	1			22.8411
2-422056	6590 20TH CT		SUNRISE	2	1			29.2167
2-422383	421 NW 26ST AV		FORT LAUDERDALE					39.7821
2-443055	2573 NE 63RD TER		MARGATE	2	1			
2-445076	6428 SW 24TH ST		MIRAMAR	2	1			22.6492
2-447533	251 N 65TH TER		HOLLYWOOD	2	1			24.0426
2-449995	3710 SW 47TH AV		HOLLYWOOD	2	1			
2-451518	13256 NW 5TH ST		PLANTATION	3	2			30.7723
2-459696	6452 SW 18TH CT		POMPANO BEACH	3	2			37.0223
2-467477	1229 SW 35TH AVE		FORT LAUDERDALE	3	1			30.7729
2-467942	3780 NE 14TH AV		POMPANO BEACH	2	1			43.7656
2-471083	6851 RELEIGH ST		HOLLYWOOD	3	1			25.5894
2-475085	1601 SW 21ST WAY		FORT LAUDERDALE	3	2			30.8794
2-476953	1025 NW 7TH AVE		FORT LAUDERDALE	2	1			33.6622
2-479259	4326 NW 5TH AVE		POMPANO BEACH	3	2			43.7473
2-480141	1700 NW 10TH AVE		FORT LAUDERDALE	3	2			
2-489130	4211 NE 4TH TER		POMPANO BEACH	3	2			43.8122
2-524227	7660 NW 21ST CT		SUNRISE	2	2			33.1301
2-526567	1711 SW 97TH TER		MIRAMAR	2	1			22.0004
2-528050	591 SW KATHY LNE		N LAUDERDALE	2	1			38.3407
2-529975	11244 NW 43RD PL		CORAL SPRINGS	3	2			41.9263
2-531102	3131 SW 64TH TER		MIRAMAR	3	2			22.262
2-533962	6560 HARBOUR RD		NORTH LAUDERDALE	3	2			37.6956
2-539915	2280 NW 60TH AVE		SUNRISE	3	2			33.4473
2-548679	6261 SW 8TH ST		NORTH LAUDERDALE	3	2			38.1559
2-552808	6711 NW 7TH CT		MARGATE	3	2			39.2797
2-553119	609 NW 15TH TER		FORT LAUDERDALE	2	1			
2-562163	1281 SW 73RD AV		NORTH LAUDERDALE	3	2			37.487
2-563144	2617 FUNSTRON ST		HOLLYWOOD	2	1			24.8813
2-564123	7230 SW 14TH ST		NORTH LAUDERDALE	2	1			
2-575013	1348 SW 24TH TER		DEERFIELD	3	2			44.5899
2-580334	8314 BUCHANAN		HOLLYWOOD	2	2			23.9683
4-671142	910 ALABAMA AVE		FORT LAUDERDALE	3	2			31.0629
4-723194	7915 SW 9TH ST		FORT LAUDERDALE	3	2.5			37.7731
4-735022	348 NW 46TH ST		POMPANO BEACH	3	2.5			43.9215
4-735067	1370 NW 54TH TER		FORT LAUDERDALE	5	4			32.6624
4-763107	612 NW16TH ST		FORT LAUDERDALE	3	2			34.3133
4-763107	616 NW16TH ST		FORT LAUDERDALE	3	2			34.3129
4-763285	7928 SW 4TH PL		NORTH LAUDERDALE	3	2			38.1988
4-821527	1241 SEAVIEW		NORTH LAUDERDAL	3	2			
6-818001	7321 NW 45TH ST		LAUDERHILL	4	2.5			
6-818800	5710 NE 7TH AV		FORT LAUDERDALE	3	1			

STATEMENT OF  
DONNA J. MACDONALD, EXECUTIVE DIRECTOR  
MIAMI COALITION FOR THE HOMELESS  
MIAMI, FLORIDA  
BEFORE THE  
SUBCOMMITTEE ON HOUSING AND MEMORIAL AFFAIRS  
OF THE  
U. S. HOUSE OF REPRESENTATIVES COMMITTEE ON VETERANS AFFAIRS  
MARCH 12, 1993

Mr. Chairman and Members of the Subcommittee:

My name is Donna J. MacDonald, and as the Executive Director of the Miami Coalition for the Homeless, on behalf of its Board of Directors, I am charged with the responsibility for coordination, policy and planning, program development, public information and awareness, advocacy, and provider technical assistance regarding homeless issues in Dade county.

I would like to take this opportunity to commend the Subcommittee on Housing and Memorial Affairs for its proactive approach to dealing with veterans housing and homelessness issues, especially in the aftermath of our recent hurricane disaster.

Homelessness in Dade County - General Situation

Pre-hurricane, 7300 persons were homeless on any given night in Dade county. Over the course of each year, many more are homeless for periods lasting days to years. Current estimates indicate that there are approximately 1200 shelter and transitional housing spaces on any given night. Only limited permanent affordable housing opportunities are currently available to the homeless as they move towards independence.

In recent years, the homeless population has come more and more to reflect American society in general - homeless youth, homeless families, and single women now outnumber single males. Their problems and needs are significantly different and require different program modalities than those which were traditionally used in the past. The attached fact sheet provides some background data on the homeless population in Dade County.

The vast majority of homeless have substance abuse or mental health problems, or a dually diagnosed with both. It is estimated that over 25% of homeless individuals are HIV+. With thousands of homeless children each night, we not only have the problem of children living in poverty, but now children are growing up on the street.

A significant infrastructure of service provider agencies have struggled over the past decade to meet the needs of the homeless population here. Local funding, critical to provide matching dollars for many Federal McKinney Act programs, has not been available. As a result, Dade County has lagged far behind similar municipalities in attracting federal dollars for homeless programs. Neighborhoods fight virtually all proposed programs. In terms of offering opportunities for individuals to break the spiral of homelessness and work towards independence, Dade County has a bleak past. A proposed 1% expanded food and beverage tax for Dade, currently under consideration by the Florida legislature may, if passed, provide a beginning to change this situation.

#### Homelessness in Dade County - Veterans

Likely due to the number of housing and housing assistance available to veterans and its success particularly in Dade county, the number of homeless veterans in Dade County is lower than the national average. This is the case with the elderly, for whom many affordable housing programs are available here, and represent only 3% of the homeless population.

However, it is our experience that the majority of homeless veterans in Dade County suffer disproportionately from substance abuse and mental health problems and are the among the hardest to reach of the homeless population. While housing programs may be available, this does not assist individuals who have severe mental health or substance abuse problems and require special outreach, treatment and supportive living environments. Many such individuals are living in the "mudflats" under the I-395 in downtown Miami, some for close to a decade.

There is a need for appropriate local Veterans Affairs staff to become more involved with the homeless provider network in Dade County, so that programs and services can be better coordinated. One way of accomplishing this would be for local VA staff to participate in monthly Providers Forum meetings, sponsored by the Miami Coalition for the Homeless.

#### Homelessness in Dade County - Impact of Hurricane Andrew

Our best estimates indicated that over 5,000 individuals are now homeless in South Dade for reasons related to Hurricane Andrew.

Metro-Dade County has recently opened a tent city to temporarily house up to 1,000 individuals; families will be eligible for residency. With the next hurricane season beginning in June, and predictions of greater hurricane activity in this area during the next few years, the need for safe, affordable and permanent housing cannot be overstated. However, to my knowledge, no plan currently exists for permanent



housing of those made homeless by the hurricane - or those homeless before the hurricane.

A lack of affordable housing in Dade County has been exacerbated by Hurricane Andrew. A massive loss of housing in south Dade has caused vacancy rates in Dade, Broward and Monroe counties to plummet, while housing rental and purchase rates have skyrocketed. The Miami Coalition for the Homeless believes that many more individuals and families have become homeless as increased housing prices have driven them over the edge. In downtown Miami, Arena Towers and Biscayne View Apartments, new developments facing bankruptcy because they remained virtually empty for several years, are now filled to capacity with rental rates increased \$100-\$200 monthly above pre-hurricane rates. Homeless service providers report that even with housing assistance vouchers, hurricane homeless have not been able to be placed in housing - there simply is none, or it is too expensive. We will undoubtedly face an affordable housing crisis in Dade County which will have a great impact on our current homeless situation.

The Miami Coalition for the Homeless has operated a housing hotline since the hurricane. Initially, the hotline matched those made homeless by the hurricane with those willing to share their home temporarily. Today, many months after the disaster, focusing on referrals to affordable housing, we still have dozens of desperate calls each day and not much to offer in terms of solutions.

As the emergency response to Hurricane Andrew winds down, we must remember that its aftermath will affect the area for years to come. Underfunded for the last decade, the existing homeless service infrastructure is not prepared to deal with increased demands due to the hurricane. While many homeowners and renters have been assisted via federal programs - no significant non-emergency funding has been directed towards pre or post-hurricane homeless in Dade County. Once again, those with special needs - mental health, HIV/AIDS or substance abuse problems - have little opportunity for the supportive housing environment they need.

As I mentioned previously, many veterans have the opportunity to participate in VA housing programs. However, there is not much available housing unless people are willing to move out of the area. No concrete plan exists to provide affordable housing, even after all these months. We urgently need a creative and comprehensive plan to address this problem, the funding to implement it and the will to make the best and maximal use of any such funds.

Jeramiah Richardson, of the Veteran's Referral Coalition, informed me that they have been working with Operation United Front and the Miami Veteran's Centre to train volunteers to collect data on the needs of Homeless Veterans. He noted that it

was only in the past 30 days that funds were received by the VA Hospital to begin a veteran's homeless program, which staffs one outreach worker. These efforts need to be expanded, and groups organized by veterans themselves - such as the Veteran's Referral Coalition, should be involved in the effort.

We cannot prevent homelessness if we have no affordable housing and we cannot end homelessness if we do not have the funding to provide special needs housing and programming.

I urge your support in ensuring that federal assistance dollars are utilized for the creation of a much larger stock of affordable housing in Dade county and for increased service levels of homeless housing and support service programs.

Thank you for this opportunity to testify on behalf of the Miami Coalition for the Homeless, local service providers and the homeless themselves.

# Miami Coalition For The Homeless

*A coalition of organizations and individuals committed to the principle that decent housing and adequate food are fundamental rights in a civilized society*

## HOMELESSNESS IN DADE COUNTY - 1992

Each night in Dade County, 7,259 homeless persons are without shelter, a 19% increase over 1991. There are only about 1,200 shelter or housing spaces available in the county.

Local service provider agencies report a 25% increase in the number of homeless persons seeking related assistance. The 'official' estimate of 7,259 includes only those persons on the street and those in shelter or residential programs. Many others are 'technically' homeless, staying with friends or occasionally finding shelter, but having no permanent home or address. Providers estimate that the actual number of homeless persons may be close to 15,000 in Dade County.

Families with children make up 40% of the 'official' estimate of 7,259 homeless. 1,814 children are homeless in Dade County on any given night. 5% of the homeless unaccompanied teens.

Within the homeless population, 25-30% are chronic substance abusers, and 30-35% suffer from acute or chronic mental illness. 15-25% have AIDS.

50% of homeless persons have primary health care problems and needs. Veterans make up 15% of the homeless population, the elderly, 2%.

Only 15% of the homeless are from out of state or out of country, contrary to a popular belief that most homeless are not local. 67% are receiving some form of government benefits - food stamps, medicaid, Social Security, Disability or Aid to Families with Dependent Children benefits - and 10% are actually employed.

Long-term homeless make up 20% of the homeless population, while new homeless - those who have been homeless for under one year - make up 80%.

69% of homeless persons are black; 18% are hispanic and 4% are white.

The Miami Coalition for the Homeless views the following as the primary causes of homelessness: lack of appropriate housing opportunities, lack of employment opportunities with decent living wages and benefits, lack of education/employment training programs sensitive to the special needs of the homeless, lack of drug abuse prevention and treatment programs, inadequate AFDC benefits, lack of access to health care, chronic mental illness, physical/sexual abuse, unresponsive bureaucracy, and ineffective allocation of existing government resources, and inadequate resources.

Testimony for the  
U.S. House of Representatives  
Committee on Veteran's Affairs  
Subcommittee on Housing and Memorial Affairs

12 March 1993

By Erick L. Swenson  
Public Affairs Officer  
American Red Cross  
Hurricane Andrew Recovery Center  
Naranja, Florida

Embargoed for Release Until  
12 March 1993, 9:00 am



Good morning Chairman Sangmeister and members of the subcommittee. My name is Erick Swenson. I am Public Affairs Officer for Hurricane Andrew Relief and Recovery Operations for the American Red Cross in South Florida. Mr. Michael Carroll, the Chapter Manager of the Greater Miami Chapter of the American Red Cross, asked me to represent him and to thank you for convening this important hearing and including the Red Cross in it.

The American Red Cross is, as you may know, a unique private, nonprofit organization with a humanitarian mission to provide relief to victims of disaster and help people prevent, prepare for, and respond to emergencies. It is the only non-governmental disaster relief organization chartered by Congress to provide relief to victims of major disasters. All Red Cross disaster assistance is given free of charge -- without discrimination -- a gift from the American people made possible by voluntary financial contributions to the American Red Cross.

Countless individuals and families have been helped by the Red Cross, before, during and in the aftermath of Hurricane Andrew. During the relief operation 85,154 people were housed in 230 shelters. Disaster victims and emergency workers received 4,779,207 meals from 41 fixed sites and 85 mobile feeding vans. 9,031 disaster welfare inquiries were completed for people seeking relatives in South Florida. The American Red Cross provided more than \$46.7 million in vouchers to more than 60,080 families for groceries, new clothing, medicine and other essential items lost to the storm. 16,563 individuals turned to the Red Cross for medical needs related to the hurricane -- to address needs for prescription drugs, eyeglasses, medical treatment and other disaster-related health assistance. To date, the Red Cross has committed more than \$68.7 million to relief and recovery efforts in South Florida, and anticipates that commitment to rise as high as \$77 million. A total of 12,170 paid and volunteer Red Cross workers, including delegates from the Canadian, Columbian and Mexican Red Cross Societies, provided aid.

Today, with emergency relief efforts coming to a close, Red Cross operations are now focused on community recovery and individual additional assistance. When recovering from the effects of a disaster, individuals and families are expected to use all available resources, including those of government disaster recovery agencies and other private organizations. When needs are not met through these resources, the Red Cross may work with individuals and families to address remaining needs through the Red Cross additional assistance program.

The Red Cross additional assistance program helps bridge the gap between what disaster victims are able to accomplish for themselves and what is needed to resume more normal life in their home and community. The Federal Emergency Management Agency (FEMA) refers clients to the Red Cross for consideration, including those disaster victims who receive the maximum grant of \$11,500.00 from the Individual and Family Grant program.

After receiving these referrals, it is a responsibility of the Red Cross to contact each individual or family, and let them know it is the sincere interest of our organization to work with them, should they require additional assistance through the American Red Cross. For the sake of brevity, a copy of the letter sent to clients referred to the Red Cross is included with your individual copies of my written testimony.

The American Red Cross takes, very seriously, its commitment to working with each individual or family on a case-by-case basis.

Examples of additional assistance could include:

- \* working with other community groups to provide volunteer labor or materials in getting a victim's home back on-line;
- \* providing the means for victims to purchase needed household items lost in the hurricane;
- \* addressing longer-term hurricane-related medical needs; or,
- \* rebuilding or repairing the victim's storm-damaged home if other resources are not available.

Moreover, the American Red Cross advocates working together with our clients and other agencies to best meet disaster-related needs. It's a Red Cross tradition -- neighbor helping neighbor.

One of our neighbors in South Florida -- Ms. Lisa Wynn of Miami -- could also testify to that. Ms. Wynn received a letter from the Red Cross asking if she needed additional assistance. This was her response:

I have just received your letter dated February 2, 1993. And now I feel it is time for me to write you a letter. Thank you for everything. We've never been through what we went through on August 24, 1992, so I never knew the importance of the Red Cross.

After Andrew, we really didn't know how or what we were going to do. It's probably the first time in my life I didn't know which way was up. Then God sent an angel. (The angel being the Red Cross.) Your people came in and took over. You should be very proud of your staff. They were wonderful! They were calm and helpful. (Unlike I was.) Everything was so organized and easy. It took a lot of worry off my mind, which at that time I couldn't have taken anymore anyway.

Your help has been great. Although it doesn't begin to replace what Andrew took away, it has made a start.

Then I received the letter date February 2, 1992. (Again, God sent another angel still calling itself the Red Cross.) I couldn't believe it. Months after the storm you're still helping. And even though your help is wanted and maybe even needed by me and my family, I can't stop thinking there must be others, worse off than us, who need it more.

Please keep our address and phone number below. Some day I will bet back on my feet, and would like to start making monthly contributions to the American Red Cross. God bless you all, and thank you!

Chairman Sangmeister, esteemed members of the subcommittee, thank you for inviting the American Red Cross to participate in this hearing. As I end my remarks, let me take this opportunity to publicly praise, on behalf of the Red Cross, the thousands of individual citizens and countless business organizations who contributed their time, talent and financial resources to provide relief and recovery to disaster victims in South Florida.

Thank you.



American Red Cross

12 March 1993

Dear Neighbor:

We understand, from the State of Florida, that you received the maximum grant from the Individual and Family Grant program. When you were informed of this, it was explained that the American Red Cross would contact you regarding your possible need for additional assistance in completing your long-term recovery from Hurricane Andrew.

It is our sincere interest to work with you, should you require additional assistance through the American Red Cross.

If your disaster-related needs exceed the assistance provided by your Individual and Family Grant, your insurance and all other available personal and family resources, call the Red Cross Family Services office at our Recovery Operation Center, (305) 245-9244. Even if you don't require Red Cross recovery assistance, please let us know by completing the enclosed postage-paid card and returning it to our offices, today.

Please call our Red Cross office soon if you have further questions or comments. We welcome the opportunity to discuss the Red Cross Additional Assistance program with you.

Thank you,

Selma Chastaine  
Director  
Hurricane Andrew, FL  
DR 831

P.S.:

All Red Cross disaster help is free -- an outright gift, made possible through voluntary contributions from the American people. Truly, neighbor helping neighbor.



One of the United Way family of agencies



Feb. 15, 1993.

American Red Cross. Dr-831  
 27501 S. Dixie Hwy. Suite 300  
 Naranja, Fl. 33032

I have just received your letter dated Feb. 2, 1993. And now I feel it is time for me to write you a letter. I want to take this time to say THANK-You! for everything. We've never been in as what we went thro on August 24, 1992. So ~~so~~ I never knew the importance of the Red Cross. After Andrew, we really didn't know how or what we were going to do. It's probably the first time in my life I didn't know which way ~~and~~ was up. Then God sent an angle. (The Angle being The Red Cross.)



Your people came in and took over  
 You should be very proud of your staff.  
 They were wonderful!! They were  
 calm and helpful. (Unlike I was)

Everything was so organize and easy,  
 it took alot of worry off my mind.  
 Which at that time I couldn't have  
~~took~~ taken anymore any way.

Your help had been great. Although  
 it does not begin to replace what  
 Andrew took away, it has made a  
 Start.

Then I received the letter  
 dated Feb 2, 1993, ~~from~~ (Again God  
 sent another angle still calling itself  
 the Red Cross) I couldn't  
 believe it, months after  
 the storm your still  
 helping. And even  
 though ~~the~~ your help is  
 wanted and maybe even  
 needed by me and family



I can't stop thinking there  
must be others wrost off than  
us. who need it ~~more~~ more.

Please keep our address and  
phone number below. Some day  
I will get back on my feet,  
And would like to ~~become~~ start  
~~to~~ making monthly Contributions  
to The American Red Cross.

God Bless you all, and Thank-you!



Lisa D. Wynn  
5125 SW 99 Ave.  
Miami, Fl. 33165  
(305) 270.1304.

## MORTGAGE BANKERS ASSOCIATION OF FLORIDA

1133 W. Morse Blvd., Suite 201 • Winter Park, Florida 32789-3788 • Telephone 407/647-8839 • FAX 407/629-2502

March 2, 1993

Mr. George E. Sangmeister  
Chairman  
Subcommittee on Housing and Memorial Affairs  
U.S. House of Representatives  
Committee on Veterans' Affairs  
335 Cannon House Office Building  
Washington, D.C. 20515

Dear Mr. Sangmeister:

Thank you for the opportunity to respond to your subcommittee hearing on the VA's reaction to the Hurricane Andrew disaster and what effect this disaster will have on the VA loan guarantee program.

Hurricane Andrew caused extreme disruption to the mortgage lending process. The hurricane caused delays in the processing of mortgage applications due to property damage, loss of borrower income, and loss of the basic services needed to process a mortgage application (appraisal services, surveyors, title agents, etc.) There were also delays caused by the loss of infrastructure in the community.

The sixty-day period after the hurricane was a time in which lenders had to recreate the entire process. Unfortunately, this caused delays in the processing of all types of mortgage applications, VA included. The Veterans Administration Regional Office established a temporary hold on all mortgage applications not closed. This action was appropriate to provide time for the properties securing the financing to be inspected for damage. Many interest rate lock-in agreements expired and the borrower had to close at a different interest rate than that applied for. Fortunately, interest rates were relatively stable during this time so rate changes were not dramatic.

Originating lenders did not experience any substantial difference in handling VA loan applications than was experienced on all types of mortgage applications.

The experience with the servicing of existing mortgage loans in South Florida was an equally challenging one for the lenders. Mortgage lenders were not prepared for the massive insurance claims processing that was caused by the hurricane. As required under the mortgage loan agreement and insurance instructions, the lender's name appeared on the claim check provided to the



borrower. This was a fact not known by many borrowers and became a frustration for many borrowers.

Again, delays were initially incurred while the lenders had to sort through the methods to handle the disaster. The number of insurance claims handled by lenders' insurance departments increased dramatically and lenders were not staffed to handle the increase.

Within 90 days most lenders had set up procedures to handle the volume of claims. The handling of the VA mortgage was not substantially different from the handling of all other types of mortgage loans. The repair and rebuilding process after a disaster of Andrew's magnitude is so extensive and complex that even six months after the hurricane there are numerous homes not yet livable.

Since Hurricane Andrew, we have not seen massive defaults on VA mortgages or any other type of mortgage loans. VA Regional Office, St. Petersburg, Florida, immediately reminded lenders of the special programs available for veterans' mortgages. These were in addition to a policy of extending every possible forbearance to the borrower.

There are still some major items of concern that could substantially affect recovery in South Florida. Specifically, the two greatest concerns are as follows:

Federal Emergency Management Agency (FEMA): While FEMA responded admirably to the hurricane, the regulations that FEMA follows provide that a property that is more than 50% damaged must be rebuilt to comply with the current flood elevation standards.

There are literally hundreds of hurricane damaged houses that were constructed before the flood elevation regulations. To rebuild these houses the entire structure must be demolished and the foundation of the house must be raised to a level that meets the current flood elevation regulations. This can add an uninsured expense to rebuilding that exceeds the finished value of the property. Most VA borrowers cannot afford this additional cost.

FEMA should be provided some relief to the flood elevation requirements when a national disaster is involved.

Homestead Air Force Base. This Base was an important part of the economy in South Florida. Today it stands undecided as to its future. To reestablish the hurricane-stricken area, the local economy must

be put back in place quickly. If this does not happen, the lack of employment will cause not only an increase in the rate of mortgage defaults, but also a decline in property values. These events would definitely have a negative effect on the guarantee program in the State of Florida.


We urge that the Federal government move forward and resolve the issue of leaving open or closing Homestead Air Force Base. A decision to do either would be better than the current state of indecision.

As stated earlier, the VA's response to the hurricane was similar to that of other lenders and agencies. The mortgage lenders did not note any undue delays caused by the VA.

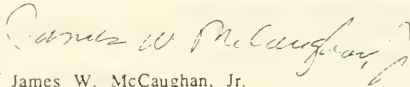
The effect of the hurricane is very broad, and the best way to resolve the issue is to take actions to rapidly rebuild the economic viability of South Florida.

Thank you for your consideration.

Sincerely,



William M. Ross  
President-Elect



James W. McCaughan, Jr.  
Chairman  
Industry Relations Committee

Statement  
of  
AMVETS Past National Commander  
RALPH HALL  
before the  
House Veterans Affairs Subcommittee  
on  
Housing and Memorial Affairs  
concerning the  
VA's Response to Housing Needs  
due to  
Hurricane Andrew  
March 12, 1993

Mr. Chairman, thank you for asking AMVETS to testify here today. As you know, I was the National Commander in 1966, and it is indeed a pleasure to be back before the House Committee on Veterans Affairs. I know the faces have changed, but under Chairman Montgomery's capable guidance, the committee has continued to look out for the best interest of veterans. Mr. Chairman, I would also like to thank you for your work on behalf of veterans and congratulate you on assuming the chair of this subcommittee. At a time when homelessness is on the front page of every newspaper, you have a challenging area of jurisdiction.

First, I would like to acknowledge the overall response of the VA to the disaster here in southern Florida. The VA sent extra staff to assist not only the home loan guaranty program, but also to keep the badly needed medical facilities running at full capacity. VA employees not only performed their specified duties to help veterans, but also volunteered extra hours doing relief work in a manner that is a credit to each as human beings.

AMVETS has reviewed the statistics on VA performance during the relief effort and we can find no glaring fault. According to the VA, They assisted over 3500 veterans and their dependents and issued 243 Certificates of Eligibility, in addition to helping with medical, compensation and pension, education and other benefits running the gamut of programs.

I am especially pleased with the VA's decision to make 128 VA properties available as temporary shelters for the homeless. Without the VA, hundreds of people would have remained homeless for a lengthy period of time. I am also pleased the VA issued a 90 day moratorium on foreclosures and acted as intermediary with commercial lenders. It is also highly likely that VA advice to veteran homeowners regarding property settlements and repairs saved many from those unscrupulous people who take advantage of other peoples' misery at



such times.

I hope this committee will look at every means possible for encouraging the VA to exercise great restraint in foreclosing properties here in southern Florida.

AMVETS has a national resolution that calls for the VA to exhaust every means including waiver of debt before allowing a veterans's home to be foreclosed. It is especially critical in disaster areas where the destruction includes not only homes, but also businesses and associated jobs.

The recent disaster shows just how close any of us are to homelessness. That precarious position should give each of us a sense of how the homeless veteran needs and deserves our assistance. AMVETS national resolution encourages the administration and Congress to seek out new and innovative solutions to get homeless veterans back into mainstream society. It is important to remember that homelessness doesn't need a hurricane to create more needy - that one third of all homeless men are veterans should cause every American to demand a major assault on the problem.

Mr. Chairman, let me close with a simple but heartfelt thank you to the VA for taking care of not only the veterans of southern Florida, but also all the citizens who sought and received their help.

STATEMENT OF  
 ALBERT H. LINDEN  
 STATE ADJUTANT/TREASURER  
 DISABLED AMERICAN VETERANS  
 DEPARTMENT OF FLORIDA  
 MICANOPY, FLORIDA  
 BEFORE THE  
 SUBCOMMITTEE ON HOUSING AND MEMORIAL AFFAIRS  
 OF THE  
 U.S. HOUSE OF REPRESENTATIVE COMMITTEE  
 ON VETERANS AFFAIRS  
 MARCH 12, 1993

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

My name is Albert H. Linden and I am the State Adjutant/Treasurer of the Disabled American Veterans, Department of Florida. In that capacity, I am charged with the management and general supervision of all Department's programs. On behalf of the more 100,00 members of the Disabled American Veterans of Florida and its Auxiliary, it is an honor and privilege to appear before the Committee on Veterans Affairs concerning the effects of Hurricane Andrew on veterans programs and in particular housing programs. Today, I am accompanied by our State Commander, John Engwiller, who managed the project in Palm Beach County and Alfred Schehouffer who lives in one of our contract homes.

Mr. Chairman, the Disabled American Veterans were actively involved in Hurricane Andrew relief efforts from the first day. We provided immediate volunteer support to the Miami VA Medical Center in the form of workers, food, water and clothing. On the third day we sent a large truck of supplies into the Disaster area along with a Field Service Unit to provide financial aid to disabled veterans and their families. We provided over 30 tons of food, clothing and water to victims and over \$100,000 in financial aid to over 420 families. In addition four disabled veterans families are currently residing in VA housing that the DAV is maintaining.

This is all by way of background information so that the committee will understand our involvement in the relief efforts.

Mr. Chairman, first, I would like to state that our efforts would not have been so successful without the efforts of Mr. Carlos Rainwater and his staff of veteran benefit counselors who worked side by side with our National Service Officers in identifying disabled veterans who needed assistance in the disaster area. Their efforts were second to none.

Second, let me state the Mr. Tom Doughtey and his staff at the Miami VA Medical Center were very helpful and supportive of our efforts and are to be commended for the medical support they provide to disabled veterans while working under very adverse conditions.

Specifically as it related to the VA housing program, let me state that if it had not been for the efforts of Carlos Rainwater and VA Deputy General Counsel in the Central office as well as Ed Heath of our DAV National Service Office, St. Petersburg, the contractual agreement between the Department of Veterans Affairs and the Disabled American Veterans, Department of Florida, to provide VA repossessed housing to Hurricane victims would not have occurred. This is a unique agreement in which the DAV acts as agent for the Department of Veterans Affairs. We take actual possession of the property and screen potential tenants who ultimately take possession of the homes. In addition, the DAV is responsible for any maintenance associated with the tenants' occupancy and restoration of the premises to it's original condition upon return to VA. In essence the DAV acted as landlord for these properties

which assured the VA that the property would be adequately maintained without the expenditure of any additional public funds or manpower. The major problem that prevented maximum utilization of the VA-DAV agreement was the delay encountered in obtaining initial approval, some 30 days after the hurricane had struck. The VA initially presented all the veterans service organizations with a proposed agreement that was identical to its contract with several cities on the West Coast, following the devastating earthquake several years ago. While the DAV was enthusiastic about the concept of utilizing vacant VA housing to assist hurricane victims, as a non profit veterans organization we could not risk assuming the degree of responsibility the public municipalities had assumed in California. Not content to let the idea pass without action, our DAV staff attorney drafted the agency concept agreement which was ultimately approved.

Mr. Chairman, had this agreement been available on day one after the Hurricane many more veterans would have taken advantage of this support. Also, it is suggested that this type of assistance be made available within the disaster area so that disabled veterans who are working may relocate near their jobs and not 50 to 100 miles away. We were able to provide this support to disabled veterans faster than FEMA and the Red Cross who had larger roles to play in the relief effort.

I would strongly recommend that the VA and FEMA have such agreements in place and pre approved to be implemented when the President declares a national disaster. I further understand that current law would have to be changed so that the VA would not be required to release its entire foreclosed housing to FEMA and retain a portion of it for these type of agreements in the disaster area.

At this time I would request that our State Commander, John Engwiller, provide any details on the contracts operation and after that Alfred will briefly state the benefits to his family of this project.

Further, but not directly related to veterans housing programs, is the need for adequate veterans medical care. As you know Homestead had a large military and military retiree populations where many disabled veterans and their families received medical care from Homestead Air force Base. Now that there are no military health care facilities and no or very limited future facilities, the Department of Veterans Affairs should consider at least an Outpatient Clinic in the Homestead area to support the medical care needs of the veterans in the area. Current military arrangements are not adequate to meet current and future needs.

Again, let me thank the Department of Veterans Affairs employees as well as the Homestead VFW Post for their outstanding support.

Mr. Chairman, I wish to thank the Committee for listening to our concerns.

I will answer any questions you may have.

Thank you.

STATEMENT OF  
 GEORGE H. SNYDER, PRESIDENT FLORIDA CHAPTER  
 PARALYZED VETERANS OF AMERICA  
 BEFORE THE  
 SUBCOMMITTEE ON HOUSING AND MEMORIAL AFFAIRS  
 OF THE  
 HOUSE COMMITTEE ON VETERANS' AFFAIRS  
 CONCERNING  
 A FIELD HEARING  
 ON THE EFFECT OF HURRICANE ANDREW  
 ON VETERANS' PROGRAMS, PARTICULARLY HOUSING PROGRAMS  
 March 12, 1993

Mr. Chairman and Members of the Subcommittee, my name is George Snyder, President of the Florida Chapter of Paralyzed Veterans of America (PVAF), and I am accompanied by Pedro De Arams, Vice President of the Florida Chapter. On behalf of PVAF thank you for inviting us to testify today. I want to begin by conveying our gratitude for the time and effort you and committee staff have devoted to housing programs for all veterans.

Mr. Chairman, I would like to discuss the actions taken by PVAF in conjunction with the Director and staff of the Miami VA Medical Center (MVAMC) after Hurricane Andrew.

Immediately after the storm, the Director of the Miami VA Medical Center contacted PVAF and other Veteran Service Organizations (VSO) to indicate that there was an immediate need for fresh drinking water; Hurricane Andrew had interrupted the Miami water supply. PVAF supplied 2000 gallons of bottled water to help.

The Hospital Staff on duty remained on duty for the first several days of the crisis, including the Spinal Cord Injury staff.

Auxiliary power was available but could not provide sufficient power for air-conditioning for several days. This created an additional critical situation for catastrophically injured

patients. The Staff in all cases became very innovative and met these critical demands.

The Director of the Miami VA Medical Center alerted the PVAF that he had instructed his staff to provide temporary housing for staff who had lost their homes to the storm. Some were housed at the hospital as necessary. Approximately 33% of staff were directly affected.

Since PVA was aware that there would be an immediate need for cash to provide assistance to the storm victims, PVA, with the assistance of the Florida chapter, established a "Hurricane Andrew Relief Fund." PVA's National Board of Directors, in addition to Eastern PVA, contributed \$150,000 to be used to assist PVA members and other disabled veterans in the Miami area. These funds were distributed through the local Florida PVA Chapter and PVA's National Service Department. We assisted 68 families with outright grants (a maximum of \$2500 per individual or family) for temporary housing and other medical needs. The total amount of funds distributed exceeded \$104,000.

Through a combined effort of PVAF and the Hospital Based Home Care Unit at MVAMC, several SCI staff members used mobile vans with lifts to locate and assist home bound disabled veterans with supplies and necessary medications. Twenty-eight patients were assisted by the Hospital Based Home Care Unit, including transporting several patients back to the MVAMC for care.

Mr. Chairman, we would like to commend Mr. Thomas Doherty for his leadership during this crisis. He and his dedicated staff met the needs of this veteran community with every available resource.

That concludes my testimony. I will answer any questions you may have.



U. S. House of Representatives  
Committee on Veterans Affairs  
Sub-Committee on Housing and Memorial Affairs

March 12, 1993

Testimony by

Charles Moreland, State Commander  
The Florida American Legion

Distinguished Members of this Sub-Committee:

It is my honor to briefly present to you some issues that The Florida American Legion encountered during the relief efforts following Hurricane Andrew.

The 121,000 members of The Florida American Legion did a tremendous job in assisting the citizens of South Florida. The American Legion National Organization's emergency relief fund and posts throughout the United States provided over 2 million dollars in cash and material assistance to the communities of South Florida. Our State Headquarters Staff coordinated 4 major distribution points for this aid. We must compliment the Miami Veterans Administration Medical Center for the assistance that their dedicated staff provided in assisting with the coordination effort and attempting to help as many victims of Andrew as possible. So many organizations, both private and public, did everything possible in this humanitarian effort. Unfortunately, there were duplications of efforts that could have been more effective if they were coordinated; however, our hind-sight will certainly provide knowledge for future catastrophes.

One major issue that we feel would be of great assistance in a large natural disaster would be a standard agreement between the Veterans Administration Home Loan Guaranty Program and, possibly, the 3 major veterans organizations.

The Veterans Administration was very generous in offering foreclosed properties in the Palm Beach area to move homeless families into on a rent-free basis. The problem that The Florida American Legion and other veterans organizations encountered, were the terms of the contracts that the Veterans Administration provided to the organizations outlining responsibilities.

Our Regional Office, in St. Petersburg, faxed 2 different contracts to our State Headquarters, however, our general counsel felt that the terms were more of a financial obligation than The Florida American Legion could commit to even under emergency circumstances.

Of the 10 properties' addresses that The American Legion looked at, only 2 were habitable. The other 8 would have required more renovations than time would allow under emergency conditions. Also, at that point in time, the availability of construction materials prohibited renovation.

We are in no way finding fault with the officials of the Veterans Administration in this endeavor. It was a very generous and humanitarian gesture, and we are certain that they were acting in a professional manner but may not have been authorized the discretionary latitude in this endeavor.

Some of the areas that we especially had problems with in accepting the foreclosed properties dealt with requirements for us to meet current building codes when the properties were returned to the Veterans Administration, and to be responsible for any renovations that were necessary for occupancy. Also, we were required to guarantee utility payments and routine maintenance while the properties were assigned to our organization.

To our knowledge, of the 3 organizations involved, only 2 homes were actually used and it is our understanding that they were used by wheelchair veterans out of necessity.

We would propose that the Veterans Administration review this issue and attempt to establish a standing agreement between major veterans organizations, making available foreclosed properties for homeless citizens as a result of a natural disaster.

It is our opinion that as a result of our involvement in Hurricane Andrew, and as an input from veterans in the South Dade-Homestead area, that the Veterans Administration did everything possible under the extreme conditions as a result of Hurricane Andrew.

The mobile units were effective and provided excellent services under these adverse conditions.

We thank you for the opportunity to bring this issue to this distinguished subcommittee. The American Legion will have a resolution on this subject for consideration at our next National Convention.

In closing, we wish to compliment the employees of the Veterans Administration for their professional and humanitarian assistance to the veterans of South Florida.

**JEREMIAH'S HOMEWORD BOUND**

SEEKING WHATEVER ASSISTANCE MUST BE PROVIDED TO MEET ALL NEEDS

Jeremiah Richardson  
Executive Director

2792 S. W. 32nd Avenue  
Coconut Grove, Florida  
33133-2832  
(305) 447-8776

**HOMEWORD BOUND** is a non for profit corporation that receives no financial assistance from any funding source except myself and caring friends who wish to help those less fortunate individuals who are homeless. It is the only 1-800 telephone hotline in Dade County that offers information and referrals to the homeless community regarding locations where they may go to receive the proper assistance they may need for their particular problems.

**HOMEWORD BOUND** has been called upon regularly by FEMA, the American Red Cross, the Miami Coalition for the Homeless and many other human service organizations for assistance when their client does not fit the criteria of the agency or they have done all they can for the client. At this time they refer the client to **HOMEWORD BOUND** for further assistance in locating housing and/or any other needs they may have.

Of the calls **HOMEWORD BOUND** receives, 10% are from Veterans who are Hurricane Andrew Victims.

Of the 10% that are Veterans, the following information reflects the breakdown and percentages of the needs requested by the veterans who called **HOMEWORD BOUND**. Their needs varied from:

Permanent and Temporary Housing	60%
Medical Treatment	26%
Out of Town Transportation	20%
Rebuilding After Andrew	10%
Financial Assistance	86%
Employment	73%

These percentages overlap because many clients need assistance in more than one area.

At **HOMEWORD BOUND** it has been recognized that the homeless veterans make up one quarter of the entire homeless community. Even with this large percentage of the homeless, there are only a few agencies that help the homeless veterans specifically. There has not been many if any additional services to assist those additional Hurricane victims that are now New Homeless Veterans.

Respectfully yours,

*Jeremiah Richardson*

JEREMIAH RICHARDSON, Esq.  
Executive Director

## CATHOLIC COMMUNITY SERVICES

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Presentation  
by

MONSIGNOR BRYAN O. WALSH  
Executive Director  
Catholic Community Services  
Archdiocese of Miami

to

Subcommittee on Housing and Memorial Affairs  
Veterans Affairs Committee  
U.S. House of Representatives

Hon. George E. Sangmeister  
Chairman

Field Hearing - Homestead, Florida  
Hurricane Andrew - VA Housing and Homelessness  
March 12, 1993



Member Catholic Charities USA  
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Good Morning Ladies and Gentlemen,  
Chairman Sangmeister and Members of the Subcommittee.

My name is Msgr. Bryan O. Walsh, I am Executive Director of Catholic Community Services of the Archdiocese of Miami.

From the day of the storm, we were among those providing emergency relief to South Dade through our parish based network of Relief Coordinators.

Now, 6 months later, we are still here and with Metro-Dade County we have just re-opened a Federally funded Tent City in Naranja - only a few miles north of here.

This LIFE AND FAMILY SUPPORT CENTER will serve families facing evictions as demolitions proceed and as landlords begin the rehabilitation of what is left of the stock of low cost rental units.

It is hard to imagine the suffering and trauma these families have endured these past 6 months; living in unsafe, unsanitary conditions in condemned or damaged buildings or along canals and around lakesides. In December, with evidence from a survey which we conducted jointly with Metro-Dade's Office of Homeless Programs and HRS - we were all forced to the decision that a new Tent City was our only recourse to save these families.

What an indictment of the recovery process that now, 6 months after Andrew and only 3 months before the next Hurricane Season, we had no choice but to re-open Tent City.

Who are these people? According to the latest intake of those screened on to Tent City as eligible (following Congressional restrictions on the use of funds and given limitations on space and budgets) we are serving:

- \* 33 families with 130 children, most under the age of 10.
- \* 11 of which are two parent households, with 23 single parent families,
- \* 21 of the families are Black Americans from Florida City, Homestead, Goulds and Perrine,
- \* 9 Hispanic families from Homestead and Perrine and
- \* 3 Haitian families from Homestead.

There are TWO families of Veterans in Tent City.

In the Taylor Camp of out of state construction worker families located adjacent to the Tent City there are 25 families with Veteran head of households. Under congressional funding restrictions, these are not eligible for tent city or services on site.

What now? We must find, and fast, more permanent housing for these families:

- \* whether in FEMA trailers,
- \* by assistance to relocate when possible to other areas with support sufficient to meet real current rent levels in Dade County,
- \* into public housing or
- \* by helping families to finance home ownership through many of the innovative options being put forward by such non-profit groups as Habitat for Humanity, The Salvation Army, MasterServe, Heavenly Cause or We Will Rebuild.

With all of these there are regulatory problems that hamper our efforts to move quickly. It is ironic that while we ask FEMA to review the cases of all in Tent City and place people into Trailers or provide realistic relocation support, that FEMA field staff call daily to ask if we can admit this or that family they have found and can not seem to help for one reason or another.

Moreover, I find it astounding in your background paper for this hearing that you mention VA's having made available to FEMA some 128 habitable properties for emergency housing and that these were not used on the premise, and I quote: "...that the private rental market had met the need for Temporary housing."

I call upon you to see that these units become available again for those we must resettle from Tent City.

I also urge you to do all you can to ease the regulatory restrictions that prevent us from helping the many families of construction workers who arrived after the storm seeking employment in South Dade - no doubt due to severe economic conditions in their states of origine - again many of who are Veterans.

If you have any questions of a technical nature on the Survey of Andrew Homeless or on Tent City operations, my assistant Peter Coats is here, who with Andy Menendez put together the program.

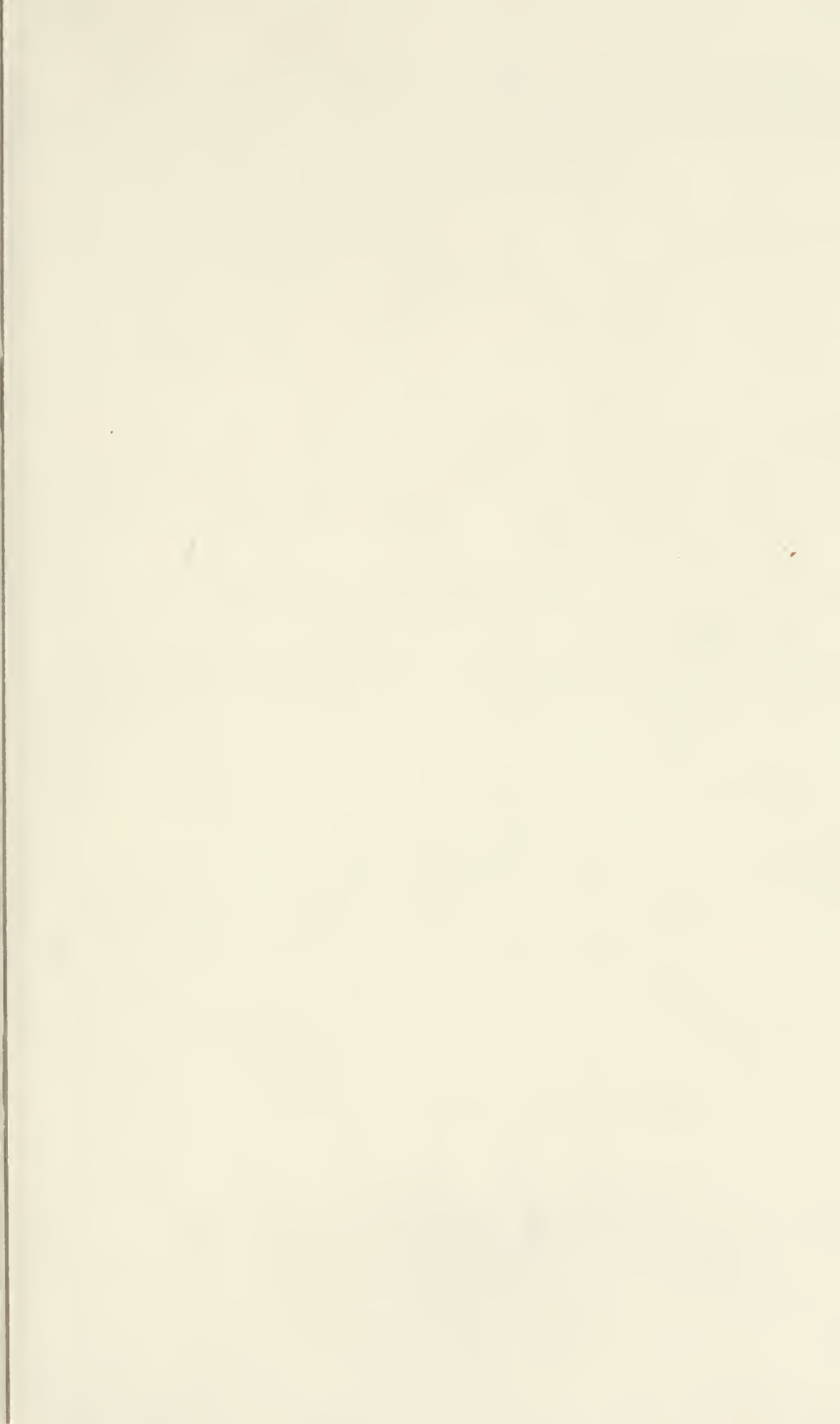
Finally, let me say that this joint County - Archdiocesan operations is a model of how we can work together, government and non-profit sector, for the benefit of our community as a whole.



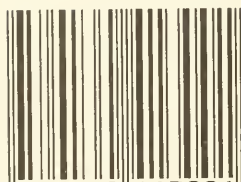
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